



**ORGANISATIONAL, MANAGEMENT AND CONTROL MODEL  
(PURSUANT TO ITALIAN LEG. DEC. NO. 231/2001)**

**Adopted pursuant to Board of Directors'  
resolution of 21 March 2024**

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## 1. FOREWORD

### 1.1. General Principles

ASTM S.p.A. (hereinafter “ASTM” or the “Company”), being aware of the need to ensure fairness and transparency in the conduct of company business and activities, and with the intent to protect its position, image, shareholder expectations and the work of its employees, has deemed it appropriate to analyse and strengthen all the previously adopted instruments of corporate governance and control, deciding, therefore, to adopt the Organisation, Management and Control Model (hereinafter the “Model” or “Model 231”).

The ASTM Model, as reported herein, is intended to supplement and complete the existing system of internal controls and aims to represent the system of rules and principles of conduct governing the activities of the Company, as well as additional control measures used by the Company to prevent crimes and administrative offences, pursuant to the Italian Legislative Decree 231/2001 (hereinafter the “Decree”), in compliance with the corporate governance rules and the system for the assignment of functions and granting of powers of attorney.

### 1.2. Purposes of the Model

With the adoption of the Model, which has been developed taking into account not only the requirements of the Decree but also Confindustria Guidelines, the Board of Directors intends to pursue the following main objectives:

- reiterate that any illicit conduct or form of unlawful behaviour are absolutely condemned by the Company, even if deriving from a mistaken notion of the company's interests and even if ASTM did not apparently benefit from them, being contrary to the law and to the ethical principles to which ASTM subscribes and follows in the exercise of its business;
- make everyone working for ASTM aware of the need to adopt correct and honest behaviour in the performance of their duties;
- inform Recipients (as defined in the following paragraphs) that the commission or attempted commission of an offence relevant under the Decree – even if carried out for the benefit of and in the interests of ASTM – is a breach of the Model and the Group Code of Ethics and Conduct and constitutes an unlawful act punishable by criminal and administrative penalties, applicable not only to the offender, but also to the Company, which shall itself be subject to the appropriate penalties;
- ensure that everyone working for ASTM performing “sensitive activities” (as defined in the following paragraphs) are aware that, in the case of breach of the provisions reported herein, they may incur disciplinary and/or contractual consequences as well as applicable criminal and administrative penalties;
- based on the monitoring of areas potentially susceptible to risk for the commission of offences relevant for the purposes of the Decree (231 risk areas), allow the Company to promptly intervene,

to prevent or counter the commission of such offences.

The provisions of the Model have been developed taking into account the current Group structure and the holding role vested with ASTM – in line with the structure of existing powers and in accordance with applicable law – that provides guidance and coordination for its subsidiaries operating under their own management autonomy and in line with the Group's strategic objectives.

### 1.3. Structure and essential elements of the Model

The ASTM Model consists of a General Section and a Special Section.

This General Section describes the contents of the Decree, referring to the types of offence that determine the administrative liability of any entity, the possible penalties and the conditions for exemption of liability (Chapter 2). It also refers to the organisational and governance structure of the Company and the activities performed for the construction, dissemination and updating of the Model (Chapter 3 and following).

The Special Section contains the protocols or set of rules and principles of control and conduct deemed suitable for governing the areas perceived to be at risk for the potential commission of predicate offences of administrative liability pursuant to Italian Legislative Decree 231/2001.

The following annexed documents are an integral part of the Model:

1. the crimes and administrative offences relevant to the purposes of Italian Legislative Decree 231/2001;
2. Group Code of Ethics and Conduct;
3. Inter-departmental Procedure – Management of Reports (Whistleblowing).

### 1.4. Recipients of the Model

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

- a. all directors, members of the board of statutory auditors and persons performing representative, administrative or management functions in ASTM, as well as persons who also perform the de facto management and control of the Company;
- b. everyone who has an employment relationship with ASTM (employees), including a Group company employees seconded to the Company;
- c. everyone who collaborate with ASTM under a parasubordinate employment relationship (contract staff, temporary or hired-in workers, interns, etc.).

The Recipients of the Model must be distinguished from those who, while not formally part of the company

organisation, act on the authorisation or on behalf of ASTM in the sphere of sensitive activities. Such persons may include the employees of other Group companies, consultants, suppliers, partners and contracted workers generally, who, due to their work, may contribute to the Company's liability.

With regard to the activities of such persons (hereinafter also "Third Parties"), the contracts governing their relationships should include special clauses that require a commitment from the contracted party to be aware of and to comply with legislation pursuant to Italian Legislative Decree 231/2001, the Group Code of Ethics and Conduct and where possible and usually in cases of tasks outsourced to third parties or Group companies – compliance with the principles of conduct and control systems consistent with those referred to in ASTM Model 231.

### 1.5. Model Updating

The ASTM Model 231, together with all its Annexes, was adopted for the first time by resolution of the Board of Directors on 16 April 2004. In view of subsequent legislation, as well as relevant organisational, governance and operational changes that have affected the Company, ASTM updated the Model, which in its current version, was most recently approved by the Board of Directors resolution on 21 March 2024.

### 1.6. Subsidiaries of ASTM

In the scope of its guidance and coordination role, the Company promotes the adoption of a Model by Group companies operating in Italy. The Model must be prepared in line with the Decree's requirements, whilst taking into account their specific organisational, operational and business characteristics.

Other Group companies, with registered offices abroad, will act in accordance with any local legislation on administrative liability of the entity, if existing, or will adopt the appropriate means to prevent the commission of offences covered by relevant legislation, also in compliance with applicable principles and guidelines, when issued by the Parent Company.

# GENERAL SECTION

## 2. ITALIAN LEGISLATIVE DECREE 231/2001

### 2.1. The administrative liability system laid down for legal persons, companies and associations

In implementing the enabling provision under Article 11 of Italian Law No. 300 of 29 September 2000, on 8 June 2001 Italian Legislative Decree 231/2001 entered into force on 4 July 2001, whereby the Legislature brought Italian legislation in line with international conventions on the liability of legal persons, with which Italy had already complied for some time. The reference in particular is to the Brussels Convention of 26 July 1995 on the protection of the financial interests of the European Community, the Convention signed in Brussels on 26 May 1997 on the fight against corruption involving officials of the European Community or Member States, and the OECD Convention of 17 December 1997 on combating bribery of foreign public officials in international business transactions.

The Decree, containing “Regulations governing the administrative liability of legal persons, companies and associations, including those without legal personality”, introduced into Italian law a system of administrative liability applicable to institutions (meaning, entities with legal personality, companies with legal personality, and companies and associations without legal personality, hereinafter referred to as "Entities") for an exhaustive list of offences committed in their interest or for their benefit: (i) by natural persons with representation, administration or management functions in the Entities or in one of their organisational units endowed with financial and functional autonomy, as well as by natural persons who exercise, including de facto, management and control of the Entities, or (ii) by natural persons under the direction or supervision of one of the above mentioned persons. The Entity's liability also includes that (criminal and civil) of the physical person who actually committed the offence.

The provision of administrative liability under the Decree involves, in the suppression of criminal offences expressly referred to therein, the Entities that have benefited from the commission of the offence. Among the penalties applicable, the most onerous ones for the Entity are prohibitive measures, such as the suspension or revocation of licenses and concessions, the prohibition of contracting with the public administration, the prohibition of business activity, the exclusion or revocation of loans and grants or the banning of advertising goods and services. The aforementioned liability also exists for offences committed abroad, provided that the State of the place where they were committed does not pursue their prosecution. The Decree exhaustively lists the types of offence the commission of which gives rise to the administrative liability of the Entities. They specifically include:

- a. Offences against the public administration (Articles 24 and 25);
- b. IT offences and unlawful data processing (Art. 24-*bis*);
- c. Organised crime offences (Article 24-*ter*);
- d. Offences of forgery of money, public credit cards, revenue stamps and identification instruments or signs (Art. 25-*bis*);



- e. Offences against industry and commerce (Art. 25-*bis*.1);
- f. Corporate crimes<sup>1</sup> (art. 25-*ter*);
- g. Offences committed for the purposes of terrorism or the subversion of democracy, (Art. 25-*quater*);
- h. The practice of female genital mutilation (Art. 25-*quater*.1);
- i. Offences against the individual personality (Art. 25-*quinquies*);
- j. Market manipulation (Art. 25-*sexies*);
- k. Involuntary manslaughter or serious or very serious injuries, committed in breach of the rules on occupational health and safety (Art. 25-*septies*);
- l. Receiving stolen goods, laundering and the use of money, goods or benefits of illicit origin, including self-laundering (Art. 25-*octies*);
- m. Offences related to non-cash payment instruments and fraudulent transfers of valuables (Art. 25-*octies* 1);
- n. Offences of breach of copyright (Art. 25-*novies*);
- o. Inducement to not make statements or to make false statements to the judicial authorities (Art. 25-*decies*);
- p. Environmental offences (Art. 25-*undecies*);
- q. Employment of illegally staying third-country citizens (Art. 25-*duodecies*);
- r. Racism and xenophobia (Art. 25-*terdecies*);
- s. Fraud in sports competitions, abusive gaming or betting and games of chance exercised by means of prohibited equipment (Art.25- *quaterdecies*);
- t. Tax offences (Art. 25-*undecies*);
- u. Smuggling (Art. 25-*sexiesdecies*);
- v. Offences against cultural heritage (Art. 25-*septiesdecies*);
- w. Laundering cultural assets and destroying and looting cultural and landscape heritage (art 25-*octiesdecies*)
- x. Transnational offences (Law 146/2006, Art. 10).

Please refer to Annex I for a detailed description of the offences listed in the Decree and in subsequent modifications and additions.

## 2.2. The adoption of organisational, management and control models as exemption mechanisms for the administrative liability of the Entity.

With the administrative liability of the Entities established, Article 6 of the Decree provides that the Entity is not liable if it can demonstrate that it has adopted and effectively implemented, before the commission of

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<sup>1</sup>Falling within the scope of corporate crimes, is corruption between private parties (offence amended by Law No. 190 of 6 November 2012 and subsequently amended by Italian Legislative Decree No. 38 of 15 March 2017 and Law 3/2019) and Inducement of corruption between private parties (offence introduced by Italian Legislative Decree No. 38 of 15 March 2017 as subsequently amended by Law 3/2019)

the crime, “organisation and management models capable of preventing the kind of offences that had occurred.”

The same rule also provides for the establishment of a control body within the Entity to oversee the functioning, effectiveness and fulfilment of the aforementioned models, as well as the task of updating them.

These organisational, management and control models must meet the following requirements:

- identify the activities during which the offences under the Decree may be committed;
- provide for specific protocols to help plan the formation and implementation of the Entity's decisions in relation to the offences to be prevented;
- identify methods for managing financial resources suitable for preventing the commission of such offences;
- provide for obligations to inform the body responsible for supervising the functioning and observance of the models;
- introduce a disciplinary system suitable for punishing non-compliance with the measures stated in the models.

The legislature specifies that the aforementioned models should also provide for:

- one or more channels that allow Recipients, in order to protect the entity's integrity, to present detailed reports of illegal conduct, relevant to the purposes of the Decree and based on precise and consistent factual information, or of breaches of the Entity's organisational and management model, which the Recipients have become aware of through the performance their duties. These channels guarantee the confidentiality of the Recipients' identities in the handling of the report;
- at least one alternative reporting channel capable of electronically ensuring the confidentiality of the whistleblower's identity;
- the prohibition of direct or indirect retaliatory or discriminatory actions against the whistleblower for reasons directly or indirectly associated with the report;
- in the disciplinary system adopted, penalties for violating the measures protecting the whistleblower and against those who make intentional or grossly negligent reports that prove to be unfounded.

Where the offence is committed by people holding representation, administration or managerial positions in the Entity or in one of its organisational units with financial and operational independence, or by persons who exercise the management and control thereof, including de facto, the Entity shall not be liable if it proves that:

- I. the governing body has adopted and effectively implemented, prior to the commission of the unlawful act, organisational and management models suitable for preventing the kind of offences that have occurred;

- II. the task of supervising the functioning and observance of the models and its updating has been entrusted to a body of the Entity, equipped with autonomous powers of initiative and control;
- III. the persons have committed the offence by fraudulently evading the models;
- IV. there has been an absence of or insufficient supervision by the control body with regard to the models).

If, however, the offence is committed by persons under the direction or supervision of one of the aforementioned persons, the Entity is liable if the commission of the offence was made possible by non-compliance with direction and supervisory obligations. Such non-compliance is in any case excluded if, before the commission of the crime, the Entity had adopted and effectively implemented models suitable for preventing the kind of offences that have occurred.

### 2.3. Regulations on the protection of people who report wrongdoings (whistleblowing)

The rules for the protection of persons who report offences or irregularities that have come to their knowledge by virtue of the performance of their duties under a private employment relationship, known as “*whistleblowing*” was introduced in Italy for the first time under Article 2 of Law 179/2017, amending Article 6 of the Decree. This was subsequently amended with approval by Legislative Decree No. 24 of 10 March 2023 implementing the Directive of the European Parliament and Council (EU) 2019/1937 of 23 October 2019, referring to the protection of persons reporting offences under EU legislation.

This regulatory measure obliges the Company to provide for the channels that allow the reporting of offences and that ensure the strict confidentiality of the whistleblower’s identity. All Recipients of the Model who, by virtue of the performance of their duties, learn of illegal conduct relevant to the purposes of Italian Legislative Decree 231/01, or breaches of the Model, must promptly report such behaviour through the specific communication channels.

In consideration of the above, the Company has implemented a system for handling reports (“Whistleblowing”), which includes, *inter alia*, the use of a platform so as to ensure the maximum protection and confidentiality for the person making the report and the person being reported.

In particular, reports relating to ASTM may be sent through the following channels:

- the EQS Integrity Line platform, which can be accessed by whistleblowers at this address: <https://astm.integrityline.app>. The platform, managed by a specialised and independent third party, is a channel available 24 hours a day, 7 days a week, in compliance with the ISO 27001:2017 and ISO 37001:2016 standards;
- in writing by private, personal registered letter addressed to the Receiving Person, at the Company’s

address (SP 211 3/13 – Località San Guglielmo 15057 Tortona).

All reports are sent to the Internal Audit Manager (or to the Chair of the Supervisory Board, if the Internal Audit Manager is the subject of the report) and are handled confidentially and transparently via a predefined procedure.

The Company guarantees the confidentiality of the person making the report and the information transmitted, so as to protect the reporting person from any form of retaliation or discrimination. The identity of the reporter, if declared, will not be revealed without their consent.

ASTM has therefore defined a procedure (Inter-departmental Procedure - "Management of Reports (Whistleblowing)" - Annex 3 of the Model) with the purpose of describing and regulating the organisational aspects and operating processes relating to reports of unlawful conduct and breaches, which ASTM employees may become aware of in the course of the relationship with the company.

The Company does not tolerate any prejudicial consequences for whistleblowers in disciplinary matters and shall protect them in the case of adoption of "direct or indirect or discriminatory measures that affect their working conditions for reasons directly or indirectly related to the report." The above protection is therefore not applicable in cases where the report contains false information made with intent or gross negligence.

If the whistleblower is subjected to suspected discrimination or retaliation in connection with the report, or the reporting tool is abused by the whistleblower, the Company will provide for the application of disciplinary measures against the receiving party (and/or the parties that have performed acts of discrimination or retaliation) and the whistleblower, as described in chapter 6 of this General Section of the Model, where further details are available.

## 2.4. Confindustria guidelines

Article 6 of the Decree provides that organisational and management models may be adopted on the basis of codes of conduct drawn up by category trade associations, communicated to the Ministry of Justice.

In particular, in June 2021, Confindustria updated the text of its "Guidelines for the construction of organisational, management and control models pursuant to Italian Legislative Decree 231/01".<sup>2</sup>

The Confindustria Guidelines identify a scheme based on the risk management and risk assessment processes, in which regard the fundamental points can be briefly summarised as follows:

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<sup>2</sup> The Confindustria Guidelines for drafting Organisation, Management and Control Model pursuant to Italian Legislative Decree 231/01 were published for the first time on 7 March 2002 and subsequently updated on the 24 May 2004, 31 March 2008, 23 July 2014 and most recently on 25 June 2021.

- identification of risk areas, in order to ascertain in which company area/sector the adverse events contemplated by the Decree may occur;
- the arrangement of a control system capable of preventing risks through the adoption of specific protocols. The most important components of the preventive control system suggested by Confindustria are:
  - code of ethics;
  - organisational system;
  - procedural and IT manuals;
  - authorisation and signatory powers;
  - control and protection system;
  - communication to staff and their training.
- components of the control system that must reflect the following principles:
  - verifiability, documentability, consistency and congruence of each operation;
  - separation of functions (no single person can manage an entire process independently);
  - documentation of controls;
  - provision of an adequate system of penalties for breaching the code of ethics and protocols/procedures provided by the model;
  - identification of the supervisory board's regulatory requirements, summarised as follows:
    - ✓ autonomy and independence;
    - ✓ professionalism;
    - ✓ continuity of action.
- information obligations of the control body.

Failure to comply with the specific points of the above Guidelines does not affect the validity of the Model. In fact, the individual Model must necessarily be prepared with specific reference to the actual reality of the Company and can therefore deviate from the Confindustria Guidelines, which are general in nature.

For the preparation of its own Model, ASTM therefore expressly took into account:

- the provisions pursuant to Legislative Decree 231/2001, the accompanying Ministerial report and Ministerial Decree No. 201 of 26 June 2003 containing the rules for the implementation of Italian Legislative Decree 231/2001;
- the Guidelines prepared by Confindustria;
- doctrine and case law formed to date.

### **3. ORGANISATION, MANAGEMENT AND CONTROL MODEL OF ASTM S.p.A.**

#### **3.1. Activities and organisational structure of ASTM S.p.A.**

ASTM, an holding company with headquarters at Corso Regina Margherita 165, Turin, is involved in the management of motorway networks under concession, the planning and development of major infrastructure works and in the technology sector specialising in transport mobility.

The ASTM Group has long-standing experience in the development, funding, management and maintenance of road and motorway infrastructure. The Group is now the second operator in the world for toll-motorway management with 6,200 km of network in Italy, Brazil and the United Kingdom.

In the Engineering, Procurement and Construction (EPC) sector, ASTM works through its subsidiaries ITINERA S.p.A. - operating in the development of major infrastructure projects and civil and industrial construction works and S.I.N.A. S.p.A. - engineering company.

The Group operates in technology applied to mobility and road infrastructure through SINELEC S.p.A., a company specialised in solutions for electronic tolls and intelligent transportation systems (ITS).

In terms of applicable legislation, ASTM is classified as a *“listed issuer with Italy as the Member State of Origin”* due to the bonds issued and traded on Euronext Dublin, managed by the Bank of Ireland.

Pursuant to Art. 2497 of the Italian Civil Code, ASTM is subject to the management and coordination of Nuova Argo Finanziaria S.p.A.

The Company has adopted a traditional type of corporate governance system based on:

- an administrative body – the Board of Directors – elected by the Shareholders’ Meeting and vested with the powers of ordinary and extraordinary administration for the achievement of the company purpose, but excluding the powers reserved by law to the Shareholders’ Meeting. The representation of the Company before third parties and in court is the responsibility of the Chair of the Board of Directors, or in his/her absence or impediment, the Vice-Chair of the Board of Directors. The Board of Directors has appointed a Chief Executive Officer, responsible for representing the Company in terms of the powers assigned to him/her. The Chief Executive Officer has the power to appoint and dismiss lawyers and attorneys as well as special attorneys for individual transactions or groups of transactions;
- a Board of Statutory Auditors, consisting of three standing members and two alternate members is tasked with the supervision of:
  - compliance with the law and the Articles of Association;
  - compliance with the principles of proper management;
  - the adequacy of the Company’s organisational, administrative and accounting structure, and its effective functioning.

The Shareholders' Meeting has entrusted the task of the statutory audit of the company's accounts to a company of independent auditors enrolled in the Independent Auditors' Register.

It is noted that the Company provides assistance and consulting services to its subsidiaries on the basis of intra-group service contracts.

### 3.2. Guiding principles of the Model

This Model has been designed, created, and consequently updated as regards the particularities of the Company and its organisational structure and, therefore, improves and integrates the existing specific tools intended to programme the formation and implementation of business decisions and to carry out checks on company activities, specifically the following:

- Governance tools;
- Internal audit system.

#### 3.2.1. Governance tools

In the first construction and in the subsequent updates of the Model, attention was given to the governance tools ensuring the Company's operation. They can be summarised as follows:

- Articles of Association – in compliance with laws in force, they establish different types of rules applicable to corporate management and aimed at ensuring the correct conduct of management activity.
- System of powers of attorney and proxies – it determines powers to represent and commit the Company and, through the system of internal powers, responsibilities for aspects concerning the environment and safety at work.
- Infra-group service contracts.
- Group Code of Ethics and Conduct.
- Internal procedural body – consisting of inter-departmental procedures, corporate, privacy and IT procedures and internal communications to clearly and effectively regulate significant Company processes.

The rules, procedures and principles contained in the documentation listed above, although not shown in detail in this Model, constitute a valuable tool for guarding against unlawful conduct in general, including conduct referred to in Italian Legislative Decree 231/2001, which relates to a wider system of organisation, management and control that the Model seeks to integrate and which all Recipient entities are required to comply with in line with the type of relationship they have with the Company.

### 3.2.2. The internal audit system

ASTM's Internal Audit System comprises a set of rules, procedures and organisational structures established to enable the effective and efficient identification, measurement, management and monitoring of the main risks in order to promote the sustainable success of the Company, in compliance with applicable legislation and regulations, including the Decree.

Based on Borsa Italiana's Corporate Governance Code, this system involves the following parties:

- the Board of Directors, which plays a guiding role and assesses the adequacy of the system;
- based on the Corporate Governance Code, the Audit and Risk Committee: (i) provides advisory and consultancy services to the Board on matters related to audits and risks and (ii) exercises the powers, duties and functions assigned to the "Committee for Related Party Transactions" pursuant to the relative procedure adopted by the Company, accessing the necessary information and functions;
- the Remuneration Committee and the Sustainability Committee respectively provide proposals and consulting to the Board with regards to remuneration and sustainability matters;
- the Board of Statutory Auditors and the independent auditors (external control bodies), which oversee the adequacy of the directives issued by the policy-making bodies, their compliance with the law and regulations and their effective application. These entities give overall assurance on the structure and operation of the internal audit system through independent evaluations, in accordance with their respective areas of competence;
- the Internal Audit Function (level III control function). responsible for verifying that the control system is functioning, adequate and consistent with the Guidelines defined by the Board of Directors;
- Level II control functions, which include the Risk Management and Corporate Affairs and Compliance functions, operate respectively in order to:
  - oversee the process of identification, evaluation, management and control of risks in corporate operations, ensuring its consistency with business objectives;
  - ensure compliance with specified regulations;
- all the parties or functions (level I control functions) that define and manage the so-called line controls that are inherent in operating processes – i.e. procedural, IT, financial and behavioural controls performed both by persons who execute a particular activity and those responsible for its supervision – that require specific expertise in business, risk and/or relevant legislation.

The company's internal audit system is based, not only on the governance tools referred to in paragraph 3.2.1 above, but also the following defining elements:

- planning, management, control and reporting system, which aims to guide company management towards the achievement of planned objectives, highlighting the differences between the objectives



and the actual results of operations, thereby enabling those responsible to prepare, decide and implement appropriate corrective actions.

- Risk management model.
- Information systems already geared towards the segregation of functions and regulated by internal procedures that ensure security, privacy and fair use by users.
- Corruption Prevention System pursuant to the UNI ISO 37001:2016 standard (Policy, Manual, Risk Assessment).
- Quality Management System – UNI EN ISO 9001:2015 – implemented by the Company.
- Administrative and accounting procedures and the Administrative-Accounting control model pursuant to Law 262/2005 on financial and related reporting.
- Sustainability policies (Human rights policy, Diversity and inclusion policy).
- Further relevant documentation (organisational chart in force, Company Organisational Communications in force at the time).

The main objectives of the Company's internal audit system are substantiated in ensuring, with reasonable security, the achievement of strategic, operational and internal information objectives, as well as goals of market communications and compliance with applicable laws and regulations.

These objectives are underpinned by the following general principles:

- each operation, transaction and action must be verifiable, documented, consistent and appropriate: each operation must be accompanied by adequate supporting documentation so that checks can be carried out at any time to certify the characteristics and reasons for the operation and to identify the person who authorised, carried out, recorded and verified the operation itself. In order to minimise the risk of destruction or loss of data, whether accidental or not, or unauthorised access or processing that is not permitted or does not comply with the law, appropriate security measures are adopted;
- no one can independently manage an entire process: compliance with this principle is guaranteed by the application of the segregation of duties criterion applied within the Company, under which different persons and functions are responsible for authorising, accounting, implementing and/or monitoring an operation. Also, no one is given unlimited powers; powers and responsibilities are defined and distributed within the Company. Powers of authorisation and signature are consistent with organisational responsibilities;
- the control system must be able to document the performance of controls, including supervision.

### 3.3. Construction of the Model

The decision of the ASTM Board of Directors to have a Model is part of the company's wider business policy that is expressed in actions and initiatives aimed at raising the awareness of all the staff regarding the transparent and correct management of the company, compliance with current legal regulations and

fundamental principles of business ethics in the pursuit of the company purpose.

The development of this version of the Model began with the analysis of the governance system, the organisational structure and all the principles referred to in paragraph 3.2 above, and has expressly taken into account the recommendations issued to date by the courts and also the pronouncements, including interim opinions, of the judicial authorities, together with those expressed by the Trade Associations (typically the Confindustria Guidelines).

The Model was designed, created, and then updated by a Company internal working group supported by primary outside consultants, through the development of different project stages and based on compliance with the principles of traceability and verifiability of activities undertaken.

The starting point was the **mapping of the 231 risk areas** i.e. the Company activities that may be exposed to the risk of commission of offences (see paragraph 3.3.1 below), as expressly provided by Article 6 para. 2, letter a) of the Decree.

The next step was an evaluation of the internal control system for the identified risks and the adoption of a Group Code of Ethics and Conduct and specific protocols, designed to govern the risk profiles pinpointed as a result of the mapping of company activities (see paragraph 3.3.2), as required by Article 6 para. 2 letter b) of Italian Legislative Decree 231/01.

In compliance with the requirements of Articles 6 para. 2 letter d) and letter e) and letter c.2 ter of the Decree, the subsequent tasks were as follows:

- define the characteristics, roles, and tasks of the Supervisory Board (as reported in Chapter 4 below), expressly responsible for overseeing the effective implementation of the Model and the verification of its adequacy and effectiveness;
- define the methods of diffusion of the Model and the relevant training of staff (as indicated in Chapter 5 below);
- outline a penalty mechanism (indicated in Chapter 6 below) to deal with all breaches of the Model;
- define the methods for updating the Model itself (reported in Chapter 7 below).

### 3.3.1. Map of 231 risk areas

The ASTM Model is based on the identification of 231 risk areas, i.e. the activities that may be exposed to the commission of offences, as expressly provided by Article 6 para. II, letter a) of the Decree.

The mapping of the 231 risk areas was achieved by evaluating specific operational areas and the organisational structure of the Company, with reference to the risks of offences that might be realistically contemplated.

The methodology used during construction and updating saw the involvement of an integrated working group made up of outside professionals – with expertise in risk management and internal control – and internal Company figures who are members of the Corporate Affairs & Compliance and Internal Audit Division.

The methods used and the criteria adopted in the various phases are reported below.

#### Phase 1: collection and analysis of all relevant documentation

Documentary analysis was a necessary first step to identify activities at risk: first of all, the relevant official documentation available was collected in order to better understand the Company's activities and to identify the business areas being analysed.

By way of example but not of limitation, the following documentation was analysed:

- Articles of Association;
- Organisation Chart;
- Group Code of Ethics and Conduct;
- Suppliers' Code of Conduct;
- Sustainability policies;
- Corruption Prevention System pursuant to the UNI ISO 37001:2016 standard (Policy, Manual, Risk Assessment);
- Quality Management System – UNI EN ISO 9001:2015 (Policy, Manual, Procedure);
- Administrative and Accounting Control Model pursuant to Law 262/2005;
- formalised procedural body (administrative and accounting, corporate, inter-departmental, IT and privacy procedures, etc.);
- documentation relating to the system of powers of attorney and proxies;
- elements relating to disciplinary measures provided by applicable national collective labour agreement;
- Risk management model;
- inter-company service contracts;
- significant contracts with third parties.

#### Phase 2: risk assessment

The purpose of this phase was the prior identification of company processes and activities and therefore the identification of areas at risk, i.e. The company areas in which offences may be committed.

The company activities were then divided into reference processes, which, as at the approval date of this version of the Model, refer to the following areas:

- *Organisation and Key People*
- *Personnel Administration & Industrial Relations;*
- *Procurement;*
- *Planning, Budgeting and Control*
- *Finance;*
- *Legal, Corporate Affairs & Compliance;*

- *Internal Audit;*
- *Sustainability;*
- *Risk Management;*
- *Communication & Institutional Relations;*
- *Investor Relations;*
- *Information Technology & Digital Transformation;*
- *Occupational Health and Safety.*

Subsequent to this classification, company figures with an in-depth knowledge of the above company processes and existing control mechanisms were identified and interviewed by the working group in order to first of all construct and later update the Model in order to bring it as close as possible to the specific operational areas and organisational structure of the company, with reference to the risks of offences that might be realistically contemplated.

The interviews – also aimed at starting or continuing the process of raising awareness on i) the provisions under Italian Legislative Decree 231/2001, ii) the adaptation of the Company's activities to the Decree, iii) the importance of compliance with the internal rules adopted by the Company for the prevention of offences – were conducted with the goal of identifying the processes and the potential risk of commission of offences provided by the Decree as well as the existing controls designed to mitigate those risks.

In this way all the company's processes and related activities were mapped, with evidence of the company and group structures involved in various capacities. The risk profile for each activity was then evidenced through an indication of the potential associated offences and the possible ways in which they might be committed. The results of this activity were formalised in a specific document entitled “Map of activities at risk of commission of 231 offences”, which was shared and approved by the company representatives and made available to the Supervisory Board for its assigned institutional tasks.

It is important to emphasise that the “Map of activities at risk of commission of 231 offences” is a snapshot of the situation at the time this Model was prepared. As company activities evolve, the mapping must be updated in order to include any risks associated with new activities.

In accordance with Art. 6, paragraph 2, letter a) of Italian Legislative Decree 231/01, the areas of company activities identified as being at risk, namely those exposed to the potential risk of the commission of the types of offences covered by the Decree, are listed below.

In particular, the following **231 risk areas have been identified:**

- Staff selection, recruitment and management

- Procurement of goods and services
- Acquisition of consulting and professional assignments Management of litigation and settlement agreements Administration, accounting, budget and capital transactions
- Cash and financial flows
- Investments (equity investments, securities and extraordinary transactions)
- Relations with shareholders and company bodies
- Obligations and relations with the public administration and the supervisory authorities
- Infra-group relationships
- Tax management
- Reimbursement of expenses and representation expenses
- Insider information and internal dealing
- External and internal communication
- Institutional relations
- Gifts, donations and sponsorships
- Conflicts of interest and related parties
- Compliance with occupational safety and environment requirements
- IT security

In these areas, the risks of the commission of certain types of offence were considered to be more significant for those mentioned in the following Articles of the Decree: 24, 24-*bis*, 24-*ter* (and from Art. 10, Italian Law of 16 March 2006, 146), 25, 25-*ter*, 25-*quater*, 25-*quinqies*, 25-*sexies*, 25-*septies*, 25-*octies*, 25-*octies.1*, 25-*novies*, 25-*decies*, 25-*undecies*, 25-*duodecies*, 25-*terdecies*, 25-*quinqiesdecies* and 25-*septiesdecies*.

With regard to other offences and unlawful acts (and more specifically, *crimes of female genital mutilation, forgery of money, public credit cards, revenue stamps and identification instruments or signs, crimes related to industry and commerce, fraud in sporting competitions, malpractice in gaming, betting and gambling by means of prohibited devices, crimes related to smuggling, crimes related to the laundering cultural assets and destroying and looting cultural and landscape heritage*), it was considered that the specific business of the Company is not sufficiently risk-exposed to reasonably assume the possibility that they might be committed in the interests of or to the advantage of the Company. The reference to the principles contained both in this Model and in the Group Code of Ethics and conduct is therefore exhaustive, where corporate representatives, collaborators and commercial partners are bound to respect solidarity values, protection of individual personality, correctness, morality and respect for the law.

### Phase 3: Gap Analysis

The purpose of this phase was to identify, for each risk area, the existing organisational, control and conduct

safeguards against specific offences provided by the Decree and to evaluate their suitability to prevent the risks singled out in the previous risk assessment phase and the improvement measures to be taken.

A comparative analysis was therefore undertaken between the current organisation, management and control Model (“*as is*”) and a reference Model to be evaluated on the basis of the content of the Decree, case-law recommendations and the Confindustria Guidelines (“*to be*”).

In particular, the analysis was conducted in order to verify:

- the existence of general conduct rules to oversee the activities carried out;
- the existence and adequacy of procedures that regulate the conduct of activities in accordance with the principles of control;
- compliance with and the concrete implementation of the general principle of separation of tasks;
- the existence of authorisation levels to ensure adequate control of the decision-making process;
- the existence of specific monitoring and control of risk-exposed activities.

This comparison yielded areas for improvement of the existing internal control system; they were shared with the managers of the company functions concerned and implemented in the Protocols.

### 3.3.2. Decision protocols

Following the identification of the areas at risk and on the basis of its existing control system, the Company has developed (and subsequently updated) **specific decision protocols** (hereinafter “Protocol” or “Protocols”), in accordance with the requirements of Article 6, paragraph 2, letter b) of Italian Legislative Decree 231/2001, containing a set of rules and principles of control and conduct deemed suitable to govern the identified risk profile.

A Protocol has been created for each 231<sup>3</sup> risk area, inspired by the rule of making the various phases of the decision-making process documented and verifiable, so that it is possible to trace the reasoning that guided the decision.

The control principles in the Protocols refer to:

- authorisation levels;
- functional segregation of authorisation, operational and control activities;
- specific controls;
- traceability of the decision-making process and filing of support documentation.

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<sup>3</sup> With the exception of the risk area “Request for and management of public funding”, whose rules and principles of control and conduct, given that the Companies have not requested public funding, have been made explicit and grouped in the Protocol “Compliance and relations with the public administration and supervisory authorities”

The Protocols reprise and integrate the provisions contained in the *pro tempore* company documentation in force and refer to the internal procedural body, where existing, which was also developed to cover the risks of commission of offences pursuant to Italian Legislative Decree 231/2001.

The Protocols have been submitted for examination by the managers of risk-exposed activities for their assessment and approval, thus making the rules of conduct contained therein official and obligatory for all persons involved in carrying out an activity for which a risk profile has been identified.

### 3.3.3. Group Code of Ethics and Conduct

The definition of the Protocols is completed and integrated with the Group Code of Ethics and Conduct, which encompasses general principles that are the cornerstone of the company culture and represent standards of everyday conduct inside and outside the ASTM Group.

The Group believes that a few simple but solid principles could serve as a guide to resolving dilemmas and conflicts, based on the assumption that action is taken responsibly and common sense is applied. These are, more specifically:

- comply with laws and regulations;
- act with fairness, loyalty and good faith.
- respect the dignity and rights of each person;
- react to market changes with flexibility, promptness and initiative;
- pay attention to the needs and expectations of stakeholders and ensure the completeness, reliability, uniformity and timeliness of information;
- protect the privacy and confidentiality of information acquired during the performance of duties;
- create sustainable value over time for all stakeholders;
- promote research and innovation;
- enhance and develop the skills and expertise of everyone;
- pay the utmost attention and care to service.

The Group Code of Ethics and Conduct is based on a series of international standards, whose philosophy and general principles of conduct ASTM shares. They include:

- the United Nations Universal Declaration of Human Rights and the European Convention on Human Rights;
- the various Conventions of the International Labour Organisation (ILO) and the ILO Declaration on Fundamental Principles and Rights at Work;
- the Guiding Principles on Business and Human Rights of the United Nations;
- the United Nations Convention on the Rights of the Child;

- the 10 Principles of the United Nations Global Compact;
- the United Nations 2030 Agenda for Sustainable Development, identifying the 17 Sustainable Development Goals;
- the OECD Guidelines for Multinational Enterprises.

The Group Code of Ethics and Conduct is an integral part of the organisational Model, despite having a different scope and purpose.

In this respect, in fact, it should be noted that:

- the Group Code of Ethics and Conduct is of general importance, as it contains a set of principles and values of “company ethics”, which the Company recognises as its own and with which it wants to ask compliance on the part of all its employees and all those who, including outside the Company, work together in the pursuit of company objectives;
- in contrast, the Model and decision Protocols fulfil, in accordance with the provisions of the Decree, the need to establish a system of direct internal rules to prevent the commission of particular types of offences (based on acts that, having been committed in the interest of or to the advantage the Company, may result in administrative liability under the provisions of the Decree).

The Group Code of Ethics and Conduct is available on the Company website at [www.astm.it](http://www.astm.it).



## 4. SUPERVISORY BOARD

### 4.1. The characteristics the Supervisory Board

Exemption from administrative liability – as governed by Article 6, paragraph 1 of Italian Legislative Decree 231/2001 – also provides for the mandatory creation of an internal Supervisory Board (the “Board” or “SB”), possessing autonomous power of control (allowing it to supervise functioning of the Model and compliance with its requirements) and autonomous power of initiative, to ensure that the Model itself is updated and therefore effectively and efficiently implemented.

The **autonomy of powers of initiative and control** of the SB is met if:

- the SB is guaranteed hierarchical independence from all company bodies that it is required to supervise, ensuring that it reports directly to the Board of Directors;
- the SB is financially independent for the correct conduct of its activities.

In addition to the autonomy of powers provided by the Decree, the Company has decided to align itself with the Confindustria Guidelines as well as the court’s rulings on the subject, which have pointed to professionalism and continuity of action as necessary requirements.

With regard to the requirement of **professionalism**, the SB must be equipped with the tools and techniques required to conduct its assigned tasks, whether inspection or consultative in nature. Professionalism is ensured by the Board having the recognised right to rely on the specific expertise of various company departments and external consultants for the performance of its duties with absolute expense autonomy (within its allocated budget).

With regard to **continuity of action**, the SB will ensure effective and consistent implementation of the Model, and be a point of contact for Recipients of the Model. Continuity of action is also guaranteed by the fact that the Board works stably within the Company with the aid of the internal functions for the performance of its assigned task, as well as by the fact of receiving constant information from the structures identified as potential risk areas.

### 4.2. Identification, positioning and appointment of the Supervisory Board

With regard to the possible composition of the SB, doctrine and practice have offered different solutions, because of the size and operational characteristics of the Body, the related rules of corporate governance and the need to achieve a fair balance between costs and benefits. It is therefore considered feasible to contemplate structures specially created within the Body, and the assignment of SB tasks to existing bodies. Similarly, both collegial and single-subject structures may be decided upon. In identifying the members of the SB, roles can be outsourced to external parties who possess the specific skills required for the best performance of the task. As stipulated in the Confindustria Guidelines, if either internal or external parties are called to become part of the SB, the independence of the Supervisory Board must be considered with regard to the entity as a whole, and not to its individual members.

Finally, pursuant to Article 6, paragraph 4 bis of the Decree, introduced by Article 14, paragraph 12 of Law No. 183 of 12 November 2011, the function of the Supervisory Board in joint-stock companies may be performed by the Board of Statutory Auditors if a traditional management and control model has been adopted.

Except in the case where the Body decides to seek recourse to the aforementioned option, the effective establishment of this body falls under the remit of the Entity, pursuant again to the provisions under the Decree.

In view of the above, the Body to be entrusted with the task of supervising functioning, efficiency and compliance with the Model, as well as spearheading its updating, has been identified by ASTM as a collegial structure consisting of three standing members, one of whom acts as the Chair.

The members of the Supervisory Board are appointed directly by the Board of Directors. Appointment as a member of the Supervisory Board is on condition of the existence of subjective eligibility requirements the recurrence and permanence of which will be assessed from time to time by the Board of Directors.

In this regard, should significant circumstances arise during the mandate, and in any case, at least on an annual basis, based on the information provided by each member, the Body shall assess whether the independence and integrity requirements stipulated by the Model still exist, and report to the Board of Directors accordingly.

The Supervisory Board reports on its operations directly to the ASTM Board of Directors, so as to ensure its full autonomy and independence of judgement in the performance of its appointed tasks.

For the purposes of evaluating the **independence requirement**, from the time of their appointment and throughout their term of office, Supervisory Board members:

- must not find themselves in a position of conflict of even potential interest with ASTM;
- must not have marriage, family or kinship relationships up to the fourth degree with members of ASTM or subsidiaries' bodies, as well as with people who exercise – including de facto – management and control of ASTM or form part of the independent auditors' network;
- if they form part of the company structure, they must enjoy an adequately high organisational position and, in any case, and not hold executive-type functions;
- if they are external to the company structure, they must not be linked to the company or its subsidiaries or companies that control it or to companies under common control, by an employment relationship or an ongoing consulting relationship or performance of paid work, or by other money-based relationships that could compromise their independence.

In addition, the Company has established that SB members must have:

- **the professionalism requirements:** members of the Supervisory Board must be appointed from among persons with specific knowledge and/or expertise in legal, financial matters, internal audit systems and organisation, tax compliance and the statutory audit;
- **the integrity requirements:** members of the Supervisory Body must not (conditions of ineligibility or

forfeiture):

- be temporarily banned or suspended from the management offices of legal entities and of enterprises;
- be in one of the conditions of ineligibility or forfeiture provided by Article 2382 of the Italian Civil Code;
- have been subjected to preventive measures pursuant to Italian Legislative Decree No. 159 of 6 September 2011 and subsequent amendments (Anti-Mafia Code), excepting the effects of rehabilitation;
- have been given a conviction or agreed to a plea bargain, even if not final, even if with a conditionally suspended sentence, excepting the effects of rehabilitation, for a period of not less than one year:
  1. for one of the offences provided by Royal Decree no. 267 of 16 March 1942 (bankruptcy law);
  2. for one of the offences covered by Title XI of Book V of the Italian Civil Code (companies and consortia);
  3. for an offence committed with criminal intent, for a period of not less than one year;
  4. for an offence against the public administration, against public faith, against property, against the public economy and for a tax offence;
  5. for one of the offences provided for by the rules governing banking, financial, property and insurance activities and by the rules for markets and transferable securities and for payment instruments;
  6. for an offence that results in and has resulted in a conviction leading to even temporary disqualification from holding public office or temporary disqualification from executive offices of legal persons and enterprises;
- have personally been the recipients of a decree ordering the trial for all the offences provided for by Legislative Decree 231/01;
- have performed, in the three years before their appointment as a member of the Supervisory Board, the functions of executive director in enterprises:
  - o subject to bankruptcy, forced liquidation or similar procedures;
  - o operating in the credit, financial, securities and insurance sectors subject to special administration procedures.

Should one of the aforementioned reasons for ineligibility or forfeiture arise in respect of a member, the latter must immediately notify the other members of the Supervisory Body in writing, and they shall automatically lapse from office. The Chair of the Supervisory Board or the most senior member notifies the Chair of the Board of Directors and the Chief Executive Officer, in order to propose the replacement of the Board of Directors.

The members of said Board will be entitled to the reimbursement of out-of-pocket expenses incurred in the

performance of their duties, as well as the payment of an annual fixed fee and a lump sum for each Board meeting for an amount equal to the “attendance fee” provided for members of the Administrative Body.

#### 4.3. Term of office, dismissal, resignation and replacement of members of the Board

The members of the Board are appointed for a three-year period of office, expiring with the approval of the financial statement for the third year of office.

Any member of the Supervisory Board may resign from office at any time, with prior notice to be submitted in writing to the other members of the Supervisory Body, the Chair of the Board of Directors, the Chief Executive Officer and the Board of Statutory Auditors.

Any dismissal of the Supervisory Board members may only be made for strictly provided reasons linked to serious failures to fulfil the mandate undertaken, including breaches of confidentiality obligations, and the causes of ineligibility as cited above.

The following constitute just cause for dismissal of members of the SB:

- gross negligence in fulfilling the duties related to the appointment;
- breach of confidentiality obligations;
- “absence of or insufficient supervision” confirmed - including on an incidental basis - by a conviction (albeit not final), or an order applying the sanctions requested by the parties (so-called “Plea-bargaining”), issued pursuant to Decree 231 against the Company or another entity in which said member covers or had covered the role of a Supervisory Board member;
- unauthorised absence from two or more consecutive meetings of the SB, following the usual call procedure.

The revocation of the mandate will, in any case, be decided by the Company's Board of Directors with an act clearly specifying the reasons for the decision.

Supervisory Board members lapse from office from the time a reason for ineligibility referred to in paragraph 4.2 should arise in their regard.

For any members of the SB linked to the Company by an employment relationship, the termination of the employment relationship, for whatever reason, shall result in automatic revocation of office.

The forfeiture of office of SB members operates automatically from the moment of occurrence of the cause that has produced it.

In the event of a member of the SB's forfeiture of office, the Board of Directors shall resolve upon the appointment of a replacement without delay.

In the event of resignation, supervening incapacity, revocation or forfeiture of the Chair, during the period when there is a vacancy for the occurrence of one of the aforementioned events, the most senior member shall take over the position and shall remain in office until the date on which the Board of Directors approves the appointment of the new Chair of the SB.

#### 4.4. Functions and powers of the Supervisory Board

The provision under Article. 6, paragraph 1, letter b) of the Decree expressly states that the task of the SB is to oversee the functioning of the Model and ensure its update.

In particular, the Supervisory Board shall perform the following specific tasks:

- **supervise the functioning of the Model and compliance with the requirements therein** by the Recipients, ascertaining, including through inspections carried out by the company's internal control functions or by third party verifiers, consistency between actual conduct and the defined Model. The SB shall also propose the adoption of corrective measures and the initiation of disciplinary proceedings against the parties concerned. More precisely, it shall:
  - ascertain the adequacy of the organisational solutions adopted for the implementation of the Model (definition of standard clauses, information and training of Recipients, disciplinary measures, etc.), making use of the relevant company departments;
  - draw up the periodic plan to audit the adequacy and functioning of the Model;
  - make periodic checks, as part of the approved plan, on the activities or operations identified in areas at risk, including via the internal control functions;
  - carry out specific checks on certain operations or specific and relevant actions performed by the Company in risk areas as well as on the system of powers in order to ensure the continued effectiveness of the Model, also by means of the internal control functions;
  - promote regular meetings (at least twice a year) with the Board of Statutory Auditors and the independent auditors to allow the exchange of information relevant to the purposes of supervision of the functioning of the Model;
  - promote suitable initiatives for the dissemination of knowledge and understanding of the principles of the Model and to monitor their implementation;
  - regulate adequate information mechanisms by providing an electronic mailbox and identifying the information that must be sent to the SB or made available to it;
  - collect, review, process and store relevant information regarding compliance with the Model;
  - evaluate reports of possible breaches and/or non-compliance with the Model;
  - promptly inform the administrative body (Board of Directors) of breaches of the Model that could give rise to liability for the Company, in order for appropriate disciplinary measures to be taken with the support of relevant departments, and propose any sanctions pursuant to 3 of the Model
  - verify that breaches of the Model are effectively and adequately penalised in accordance with

the penalty system adopted by ASTM.

- **Supervise the suitability of updating the Model**, duly informing the Board of Directors, if there is a need for an update in view of the expansion of the number of offences involving the application of the Decree, evidence of breach of the Model by Recipients, or changes to the internal structure of the Company and/or the procedures for carrying out business activities. In particular, the Supervisory Board must:
  - monitor the changes in reference legislation and ensure that the Model is adapted to these regulatory requirements, also with the support of the company structures; report to the Board of Directors on any areas of intervention;
  - assess the proposals made by the Company for updating and changing the Model;
  - prepare suitable measures to keep the mapping of areas at risk updated, according to the methods and principles followed in the adoption of this Model;
  - supervise the adequacy and updating of Protocols in line with needs for the prevention of offences and verify that each party contributing to the creation of the Model is and remains responsive and adequate to the purposes of the Model as identified by law, being, for this purpose, able to make use of the information and collaboration of the relevant company departments;
  - verify the effectiveness and functionality of changes to the Model made by the Board of Directors.

In the execution of its supervisory and control activities and without the need for any prior authorisation, the SB shall:

- have free access to all the Company's structures and offices, be able to speak to any person working in the above structures and offices and freely access and acquire all the information, documents and information it considers relevant. In the event of a reasoned refusal by persons to whom requests are addressed, the SB shall prepare a special report to be forwarded to the Board of Directors;
- request access to data and information as well submit documents to members of company bodies, the independent auditors, the Third Parties and in general all the Recipients of the Model. With specific reference to Third Parties, the obligation to comply with the requirements of the SB must be expressly provided for in the individual contracts entered into by the Company;
- may carry out periodic inspections in the various corporate departments and functions, also with reference to specific transactions (including those in progress) carried out by the Company.

Where the need arises and in depending on the specificity of the matters in question, the SB can rely on the support of company structures institutionally equipped with technical skills and resources, both human and operational, designed to ensure the ongoing execution of audits, analyses and the other necessary requirements, or of external consultants.

For the purpose of full and independent fulfilment of their duties, the SB is assigned an appropriate annual

budget, proposed by the Body itself and established by a Board of Directors' resolution, which must ensure that the SB is able to carry out its tasks in full autonomy, without limitations that may derive from insufficiencies in its own financial resources. The Body may exceed the established limits on the use of resources prior to obtaining authorisation from the Chief Executive Officer and subsequent notification to the Board of Directors.

In all other respects, the Supervisory Board shall preserve its independence and impartiality by self-governance through a formalised regulation setting out a set of rules to ensure its optimal operation (such as the scheduling of activities and controls, minutes of meetings and the regulation of information flows) and to govern in detail the activities within its competence.

#### 4.5. Methods and frequency of reporting to company bodies

As stated above, the Supervisory Board reports to the ASTM Board of Directors and can communicate with it according to need or advisability; in any case, an informative report will be sent every six months concerning:

- the supervisory activities carried out by the Board during the reference period;
- any critical issues arising, both in terms of internal conduct within ASTM and in terms of the effectiveness of the Model;
- the instructions for updating or improvement of the Model;
- the implementation of any planned corrective and improvement actions and their implementation status.

This report is also transmitted to the Board of Statutory Auditors.

In the event of severe anomalies in the functioning and observance with the Model or breaches thereof, the SB shall refer promptly to the Board of Directors and the Chief Executive Officer.

The SB may be convened at any time by the Board of Directors, or may in turn, request a hearing from the Board to report on specific events or conditions relating to the functioning of the Model and the relevant compliance should it be deemed necessary, and ask the Board to intervene if required. Furthermore, if deemed necessary or appropriate, the SB may ask to meet the Board of Statutory Auditors.

To guarantee a correct and effective information flow, the SB may request clarifications or information directly from the Chair of the Board of Directors and the parties with the main operational responsibilities.

Minutes shall be prepared of the meetings with bodies that the SB reports to, and a copy of the minutes shall be kept by the SB or the Company.

#### 4.6. Information flows and reports to the Supervisory Board

Under Article 6, paragraph 2, letter d) of Italian Legislative Decree 231/2001, one of the requirements that the Model must meet is the provision of *“obligations to inform the body in charge of overseeing the functioning and observance of the models”*.

The Recipients must inform the Supervisory Board of any situation or information that may be relevant for monitoring the effectiveness of the Model and any event that could give rise to liability under the Decree or that represents a breach of company rules. Similarly, any document reporting such circumstances must be sent to the SB.

In order to ensure more effective and concrete implementation of the provisions of the Model, the Company shall make use of Department/Function Managers, who are responsible for ensuring that all information specifically required by the SB is sent within the time and in manner required. Their own organisational structure is tasked with the collection, analysis and preparation of the data in the information flows.

An obligation to provide information to the SB was therefore established, which requires:

- a) **Periodic information flows:** information, data, news, documents and schedules previously identified by the Supervisory Board and formally requested by the SB from the company functions, in the manner and terms defined by the SB;
- b) **Information flows relating to an event:** the information, data, updates and documents relating to any event identified in advance by the Supervisory Body with reference to any risk area identified.

In any case, where deemed appropriate, the Supervisory Body is entitled to ask for changes and supplements to the information that will be provided.

All Model Recipients are obliged in respect of the Supervisory Body to make:

- **Occasional reports:** information of any kind relating to breaches of the provisions of the Model or made in the wake of conduct not in line with the rules adopted by the Company and related to the commission (or attempted commission) of offences, that may be considered useful for the performance of the duties of the SB.
- **Reports in accordance with whistleblowing legislation:** unlawful acts or irregularities detected by an internal or external stakeholder during the course of their work.

The reports can be made in writing, including anonymously (as long as they can be documented when necessary) via:

- letter in a sealed envelope to be sent or delivered to ASTM S.p.A. – SP 211, 3/13 Località San Guglielmo 15057 Tortona (AL) for the attention of the Supervisory Body Chair;
- email address [odv@astm.it](mailto:odv@astm.it);
- the dedicated channel referred to in Chapter 2.3. in compliance with whistleblowing legislation.

#### 4.7. Relationships with the Supervisory Boards of subsidiaries

The ASTM Supervisory Board meets, at least six every six months, the supervisory boards of the subsidiaries



for the mutual exchange of information regarding activity carried out during the period and with particular reference to:

- 231 risk assessment methodologies adopted;
- control principles to be adopted for certain areas of risk;
- any significant changes made to the respective organisational models;
- Model 231 training activities;
- the application of the disciplinary system.

## 5. DISSEMINATION OF THE MODEL

### 5.1. Communication and training for staff

The administrative liability system provided for by law and the adoption of the organisation, management and control Model by ASTM form a system that requires coherent and effective responses in the operating behaviour of the recipients.

In this regard, a communication and training programme is crucial for promoting the dissemination of the provisions of the Decree and the Organisation Model adopted along with its various components, so that knowledge of the subject and respect for the rules of the Model becomes an integral part of the professional culture of each employee and contract worker.

ASTM has therefore organised an internal communication, information and training plan aimed at all company employees. Tailored according to its various recipients, it aims to create widespread understanding and a corporate culture adapted to the relevant themes, thus mitigating the risk of the commission of offences.

The plan is managed by the relevant company structures, coordinated by the Supervisory Board.

In particular, with regard to **communication**, the following is provided:

- an initial communication on the initiative of the Board of Directors to the members of the company bodies, independent auditors and employees, regarding the adoption of the current version of the Model;
- publication of the Model and its annexes on the company intranet;
- Subsequent communications to update recipients regarding any changes made to the Model and/or its annexes.

As regards **information** mechanisms, the following is provided:

- members of company bodies and persons with Company representation functions receive a copy of the Model at the time they accept their assigned position;
- newly hired employees receive the reference to access the section of the company intranet with links to the Model and Code of Ethics and Conduct which they are required to know and abide by.

Finally, as regards **training**, a training plan exists to make all executives and employees of the Company aware of the contents of the Decree, the Model and its annexes.

The training plan, constructed and managed by the Organization & Key People Department, in line with Supervisory Board directives, takes into account many variables, in particular:

- the targets (the beneficiaries of the actions, their levels and organisational roles),
- content (the topics related to individuals' roles);
- the delivery methods (classroom, e-learning)

The plan includes:

- specific classroom sessions on reference legislation (Legislative Decree 231/2001 and predicate offences) and on the Model and its operation, with more detail for “top management” and those who work in structures where there a greater risk of unlawful conduct;
- in-depth modules in the case of legislative updates or internal procedures;
- the provision of e-learning training.

It is also required that, following the recruitment and/or transfer of employees to a Company structure deemed to be at risk pursuant to the Decree, the head of the area at risk should keep a special in-depth module explaining operational procedures and controls.

Training provided is monitored by the Organization & Key People Department to ensure participation and tracking of the relevant personnel involved.

## 5.2. Information for contract staff and outside professionals

Parties outside the Company (suppliers, employees, professionals, consultants etc.) are provided – by the heads of departments with institutional contacts with the outside parties and in coordination of the Supervisory Body – with special information on policies, protocols and procedures adopted by the Company pursuant to the Model and Group Code of Ethics and Conduct. This information also applies to the consequences that conduct contrary to the Group Code of Ethics and Conduct or to current regulations may have on contractual relations. Where possible, specific clauses to cover these aspects are included in the contractual documentation.

## 6. DISCIPLINARY SYSTEM GUIDELINES

### 6.1. General principles

Under Articles 6, paragraph 2, letter e), and 7, paragraph 4, letter b) of the Decree, the Model – whose adoption and implementation (together with the other situations envisaged by the aforesaid Articles 6 and 7) constitutes a *sine qua non* condition for the Company's exemption from liability in the case of commission of offences under the Decree – can be considered effectively implemented only if it provides a disciplinary system suitable for punishing non-compliance with the measures contained therein.

This disciplinary system must apply equally to employees, contract staff and third parties who for the Company, providing both appropriate disciplinary and bargaining/negotiating penalties (e.g. termination of contract, removal from list of suppliers, etc.).

The application of disciplinary measures is independent of the initiation or outcome of any legal proceedings, as the Model and internal protocols/procedures constitute binding rules for the recipients, the breach of which must, for compliance with the aforementioned Decree, be punished regardless of the actual creation of a legally punishable offence.

With specific reference to breaches of the Model in the field of health and safety at work, punishable conduct is that relating to non-compliance with the procedures required by the Consolidated Safety Act (as specified by Articles 55-59 of that document), consistent with the applicable National Collective Bargaining Agreement.

### 6.2. The functions of the Disciplinary System

Non-compliance with the Model, including all its components and/or the Group Code of Ethics and Conduct, constitutes, with regard to the legal status of the person against whom action is being taken, a breach of the duty of care and loyalty and, in serious cases, damages the relationship of trust established with the Company. Therefore, in order to encourage individuals acting in the name of ASTM to comply with the Model, the Company has established a specific disciplinary system aimed at punishing all conduct that involves breaches of the Model, through the application of specific penalties deriving from a connection between labour legislation provisions and the principles and requirements of the Model.

If the Supervisory Board, in the course of its verification and control activities, detects a possible breach of the provisions of the Model, including all its components and/or the Group Code of Ethics and Conduct, it will initiate disciplinary proceedings, in compliance with the legal status of the person against whom action is being taken, against the perpetrator of the alleged infringement, to an extent that will be independent of any criminal actions brought by the judicial authorities against the perpetrator, and independently of any other action deemed appropriate or necessary (e.g. compensatory action).

The ascertainment of effective liability arising from the breach of the Model and/or the Group Code of Ethics and Conduct, and the imposition of the relevant penalties, will take place in accordance with applicable law, applicable collective bargaining rules, internal procedures, provisions on privacy and in full compliance with fundamental rights of dignity and reputation of the persons involved.

Any imposition of disciplinary measures should be guided by the principles of timeliness, immediacy and, as far as possible, fairness.

### 6.3. The recipients of the disciplinary system

The provisions of this Disciplinary System are addressed, in particular, to all Recipients of the Model, i.e. to those who hold “high-up” or “subordinate” positions in the company organisational structure (according to the definition contained in Article 5 of Italian Legislative Decree 231/2001) as well as to all those who, as Third Parties, act on behalf of the Company and have contractual relationships with the Company and for this reason are required to abide by those general principles of conduct.

All those persons who work in various capacities with ASTM are to be considered Parties subject this Disciplinary System, with the specificities provided therein. They include, in particular:

- members of the company bodies;
- employees (executives, middle managers, office workers), linked to the Company by an employment relationship, regardless of the applied national collective bargaining agreement, by their qualification and/or their recognised company position, and any other persons subject to the direction and supervision of a “high-up” person;
- employees (executives, middle managers, office workers), of other group companies in partial or total secondment to ASTM;
- parasubordinate workers, self-employed persons, agents, contract workers, attorneys, consultants, suppliers, subcontractors, partners and group companies that carry on business at the service of ASTM and more generally all those who have a relationship of collaboration with ASTM for any performance of work.

### 6.4. Relevant conduct

Conduct in breach of the ASTM Model, particularly the provisions of the Model and Protocols, the Procedures referred to therein and the Group Code of Ethics and Conduct constitute punishable conduct.

Any conduct, including omissions, in breach of the recommendations and/or provisions of the SB shall also constitute breaches of the Model.

To ensure compliance with the constitutional principle of legality and the principle of proportionality of the penalty, it seems appropriate to provide a list of some, but not all, of the possible breaches, in increasing order of seriousness:

- breaches in any way related to the activities identified as “231 risk”, breaches of one or more procedural and/or conduct rules provided in the Model, which may be considered as minor infringements, and provided that one of the breaches listed below does not occur;
- breaches in any way related to 231 risk activities indicated in the Model, breaches of one or more procedural and/or conduct rules that can be considered as more serious infringements if they do

not prejudice the normal activity of the Company, breaches referred to in the previous point if they recur, and provided that one of the breaches listed below does not recur;

- breaches that may include the objective element of an offence that, in accordance with the Decree, may give rise to the Company's liability, to breaches of one or more procedural and/or conduct regulations provided by the Model that cause financial damage to the Company or expose it to an objective threat to the integrity of the company's assets;
- breaches aimed at the commission of one or more offences capable, in accordance with the Decree, of giving rise to the Body's liability or in any case capable of creating the danger that the Company's liability under the Decree may be challenged; breaches of one or more procedural and/or conduct regulations of the Model such as to irreparably harm the relationship of trust and preventing the continuation of the contractual relationship.

## 6.5. Penalties

The penalties shall be adopted in accordance with current regulations and, where applicable, the regulations referable to the collective agreements applicable from time to time and by Article 7 of No. 300 of 20 May 1970 (hereinafter the "Workers' Charter") and are commensurate with the seriousness and possible recurrence of the offence.

In any case, the type and the scale of the penalty imposed shall take into account the principles of proportionality and appropriateness to the breach.

By way of example, the following will generally be relevant:

- the type of the offence committed, and also its seriousness as listed, by way of mere simplification and not of limitation, in the paragraph 6.4 above;
- the circumstances in which the unlawful conduct took place;
- the manner of commission of the conduct;
- the seriousness of the conduct;
- intentionality of the conduct or degree of negligence, imprudence or inexperience as regards the predictability of the event;
- the recipient's overall behaviour with particular regard to whether or not there have been previous disciplinary measures against them, within the limits permitted by law;
- the role of the recipient;
- the functional position of persons involved in the acts constituting the breach;
- other special circumstances of the disciplinary offence, such as the possible commission of multiple breaches with the same action, in which case aggravation will occur in relation to the penalty for the most serious breach;
- conduct immediately after the fact;
- the aggravating (or mitigating) circumstances in which the illegal conduct took place, with particular

emphasis on professionalism, previous work performances and/or previous contractual relationships, disciplinary precedents and the facts of the situation in which the crime was committed;

- the possible participation of several persons in the commission of the breach;
- possible previous offences of the perpetrator.

The application of disciplinary measures does not in any way affect the Company's right to take action against the person responsible in order to obtain compensation for any damage suffered due to or as a result of conduct ascertained.

### 6.6. Penalties for employees (non-executive)

With regard to employees, the non-executive employee disciplinary system applied within ASTM is specifically regulated by the current National Collective Bargaining Agreement (hereinafter “CCNL”), and the Disciplinary Regulations adopted by the Company (the “Disciplinary Regulations”).

Breaches by employees of the rules of conduct provided by the Model and the Group Code of Ethics and Conduct constitute breach of contract and may therefore result in disciplinary measures, within the limits established by the collective agreement applicable to the employment relationship.

Specifically, the National Collective Bargaining Agreement for Highways and Tunnels, which governs the employment relationship between ASTM and its employees, under Articles 36 and 37 establishes the application of the following disciplinary measures against breaches of contract:

- a) a verbal reprimand;
- b) written reprimand;
- c) fine (not more than 4 hours of daily pay);
- d) suspension from work without pay for up to 10 days;
- e) dismissal (with or without notice).

No changes occur, and will be referred to here, to in the provisions of Article 7 of the “Workers' Charter” in relation to the exposure of the disciplinary code and the obligation to communicate in advance the charge against the employee, also in order to enable the latter to prepare a suitable defence and to provide any justification.

In the context of the Model, further to the example provided for by the national collective bargaining agreement for the category, it is noted that the disciplinary measures provided for in points (a) and (b) are imposed on employees who, through negligence, breach the rules, principles and procedures stated in the Model and the Group Code of Ethics and Conduct, possibly through omissions or conduct that does not conform to or is inappropriate to the documents, but not such as to undermine their effectiveness. These disciplinary measures also apply if the employees do not fulfil their obligations with regard to whistleblowing. Thus, by way of example:

- a slight breach of the principles and procedures provided by the Model and the Group Code of Ethics

and Conduct due to negligence by the employee may constitute a verbal warning. By way of example but not of limitation, a verbal warning may be issued to an employee who, through negligence, fails to properly conserve the supporting documentation necessary to retrace Company operations in 231 risk areas;

- a written warning is warranted when repeated issues have been punished with a verbal reprimand, or in the case of culpable breach of the principles and procedures provided by the Model and the Group Code of Ethics and Conduct, through conduct possibly also involving omission, non-compliance or inadequacy, for example but not limited to delayed reporting of required information to the SB due under the Model. A written warning is also warranted in cases of negligent failure to comply with whistleblowing legislation, for example if an employee makes what prove to be false and unfounded reports against another person or if an employee attempts to break the whistleblower protection rules.

The disciplinary measures referred to in paragraphs (c) and (d) are imposed on employees in the event of repeated breaches of the previous points or in the event of culpable and/or negligent conduct by employees working in 231 risk areas, which can also potentially undermine the effectiveness of the Model and the Group Code of Ethics and Conduct.

Thus, by way of example:

- the fine can be applied for no more than the amount of four hours of contractual minimum pay, in the event of breach of the principles and rules of conduct provided by this Model and the Group Code of Ethics and Conduct for conduct that is non-compliant or not inappropriate to the extent that it may be considered of a certain seriousness. By way of example but not of limitation, such conduct includes breach of obligations to disclose to the SB irregularities in the conduct of ones work or repeated, unjustified failure to participate in training sessions provided by the company relating to Italian Legislative Decree 231/2001, the Organisation, Management and Control Model and the Group Code of Ethics and Conduct or regarding related issues;
- suspension from work and pay cannot be imposed for more than 10 days and must be applied in the event of procedural breaches serious enough to expose the Company to liability towards third parties. By way of example but not of limitation: a failure to comply with the requirements of the Group Code of Ethics and Conduct; the omission or issue of false statements related to compliance with the Model; failure to comply with the provisions of the signatory powers and the delegated authorisation system; failure of supervision of the conduct of staff working within their sphere of responsibility in order to monitor their actions in sensitive areas; breach of obligations to inform the Supervisory Board of any situation at risk of the occurrence of predicate offences, noticed in the performance of duties; each and any other contractual non-fulfilment or failure to comply with any specific instruction communicated to the employee. In addition, with regard to whistleblowing, this



penalty applies if an employee makes an intentional report of wrongdoing against another person in the workplace which proves to be false and unfounded. It applies also in cases where an employee is in breach of the measures aimed at protecting unlawful reporting.

The disciplinary measure referred to in point e) is imposed on any employee who, in the performance of their duties, engages in conduct that breaches the Model and the Group Code of Ethics and Conduct and is unequivocally aimed at the commission of a punishable offence under the Decree and such as to be able to determine the imposition, against ASTM, of the administrative penalties deriving from the offence provided for in the Decree.

Thus, by way of example:

- dismissal, with notice, for good cause is a penalty imposed as a result of a significant breach of contract by the employee. Among the breaches punishable by the aforementioned penalty include but are not limited to the following intentional conduct: repeated failure to observe the provisions of the Model and the Group Code of Ethics and Conduct; intentional failure to comply with the obligations required by the Model and the Group Code of Ethics and Conduct; adoption, in the 231 risk areas of conduct not in compliance with the requirements of the Model and unequivocally aimed at the commission of one of the offences set out in the Decree; failure to communicate to the SB any relevant information relating to the commission or attempted commission of one of the predicate offences. This penalty is applied, for example, if an employee repeatedly breaches whistleblower protection measures in the context of a working relationship or makes repeated malicious reports against another person in the work environment which prove to be false and unfounded;
- dismissal for cause, without notice, is a penalty imposed as a result of a failure so serious (for its wilfulness, criminal or financial repercussions or recidivism) that it is not possible to continue, even temporarily, the employment relationship. The breaches punishable by the aforementioned penalty, include but are not limited to fraudulent conduct unequivocally aimed at the commission of an offence provided for by the Decree and such as to harm the relationship of trust with the employer; preparation of incomplete or untrue documentation wilfully intended to prevent the transparency and verifiability of work performed; intentional breach of externally significant procedures; failure to prepare documents required by the Model; intentional breach or avoidance of the control system provided for by the Model in any way whatsoever, including the removal, destruction or alteration of documents relating to the procedure; behaviour intended to obstruct or avoid SB controls, obstruction of access to information and documentation by the entities responsible for the controls or decisions.

The ascertainment of the above infringements, if ordered by the Supervisory Body, the management of disciplinary procedures and the imposition of penalties are the responsibility of the duly responsible and

appointed Company departments.

### 6.7. Penalties for employees (executives)

Compliance by company executives with the provisions of the present Model and/or the Group Code of Ethics and Conduct and compliance with whistleblower protection regulations in the context of an employment relationship, and the obligations of the former to comply with the provisions of those documents is an essential element of the executive employment relationship, constituting a stimulus and example for all those who report to them hierarchically.

In the event of an executive's ascertained adoption of conduct that does not comply with the provisions of the Model and/or the Group Code of Ethics and Conduct, or if it is proved that they have allowed hierarchically subordinate employees to behave in a way that constitutes a breach of the Model and the Group Code of Ethics and Conduct, the Company will punish the responsible party with the penalty it considers appropriate, in view of the seriousness and/or recidivism of the executive's conduct and upon evaluation of the circumstances described in paragraph 6.4 above, and in any case on the basis of the provisions of the Workers' Charter and the National Collective Bargaining Agreement for Executives. The same penalties apply in cases where the executive is involved in incidents involving the breach of whistleblowing legislation.

By way of example, the following penalties can be applied against executives:

- written reprimand and a warning to comply with the provisions of the Model, for serious breach of one or more conduct or procedural rules set out in the Model and in the Group Code of Ethics and Conduct;
- suspension as a precautionary measure from work – notwithstanding the executive's right to remuneration, as well, provisionally and possibly and for a period of no more than three months, assignment to different tasks, in compliance with Article 2103 of the Italian Civil Code – in the event of serious breach of one or more conduct or procedural rules of the Model and Group Code of Ethics and Conduct;
- termination for just cause in the event of repeated and serious breaches of one or more provisions of the Model and Group Code of Ethics and Conduct, such as to cause irreparable harm the relationship of trust and not allowing the continuation of even temporary employment. This penalty is applied, for example, if an employee repeatedly breaches whistleblower protection measures in the context of a working relationship or makes repeated malicious reports against another person in the work environment which prove to be false and unfounded.

This sanction does not affect the Company's right to claim compensation for further damage suffered as a result of the executive's conduct.

Any powers of attorney or proxies granted to the executive may also be revoked.

By way of example but not of limitation, it is a breach of the provisions of the Model to not meet obligations to inform the Supervisory Body of the commission or attempted commission of relevant offences and the breach of supervisory obligations towards subordinates.

Upon notification of an executive's breach of the rules of conduct of the Model, the Company Procedures and/or the Group Code of Ethics and Conduct, the Supervisory Board shall inform the Board of Directors in order that appropriate action may be taken. The execution of the procedure will be entrusted to the Personnel Administration & Industrial Relation Department, which will impose the penalty in accordance with the law and the contract.

#### 6.8. Measures against seconded employees of other Group companies

If any workers belonging to a Group company but working for the Company on a (total or partial) secondment basis are responsible for breaches or conduct that does not conform to the provisions of the Model and/or the Group Code of Ethics and Conduct, the Board of Directors, after consulting the Supervisory Board, shall promptly inform the governing bodies of the company providing the service so that all measures deemed appropriate and compatible with current legislation and in line with the internal disciplinary rules of the company providing the service can be adopted.

#### 6.9. Penalties against Directors and Auditors

In the event of breach, the Model or Group Code of Ethics and Conduct by members of the Company's Board of Directors or Board of Statutory Auditors, the Supervisory Board will inform the entire Board of Directors and the Board of Statutory Auditors, which will take appropriate action in accordance with law, involving, if necessary, the Shareholders' Meeting.

#### 6.10. Penalties for contract workers, consultants and other third parties

Any conduct of contract workers, consultants or other third parties connected to the Company by a non-employee contractual relationship found to be in breach of the provisions of the Decree and/or the Group Code of Ethics and Conduct, may result in the application of penalties or the termination of the contractual relationship, without prejudice to any future claim for compensation if said behaviour causes damage to the Company, even it happens independently of the termination of the contractual relationship.

For this reason, contracts with third parties are supplemented with specific clauses that: i) acknowledge the Third Party's awareness of the Decree and the Group Code of Ethics and Conduct, ii) require them to undertake to refrain from conduct that could constitute the offences referred to in the Decree (whether or the offence is actually committed or punishable), iii) govern the consequences in the event of breach of the provisions contained in the aforementioned clause; i.e. a unilateral declaration by the third party or the employee regarding their knowledge of the Decree and their commitment to root their work in compliance with its provisions and those of the Group Code of Ethics and Conduct.



In the case of tasks outsourced to third parties and/or other Group companies, the contractual clauses must also include an undertaking to adopt, in the performance of work for ASTM, principles of conduct and oversight measures consistent with those referred to by Model 231 of the Company.

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The Supervisory Board is responsible for evaluating the suitability of the punitive actions taken by the Company towards employees, contract workers, consultants and third parties (relating to offences under the Decree) and to inform the Board of Directors of their eventual update.

## 7. APPROVAL AND AMENDMENT OF THE MODEL

### 7.1. Approval and implementation of the reference principles of the Model

The adoption and effective implementation of the Model constitutes, in accordance with Article 6, paragraph 1, letter a) of the Decree is the competence and responsibility of the Board of Directors. It is therefore the responsibility of that Body to approve and implement, by means of a specific resolution, also the key principles set out in this document, which are an integral part of the Model.

### 7.2. Amendments and additions to the reference principles of the Model

The amendments and additions to the reference principles contained in the Model, aimed at allowing the Model's continued compliance with any subsequent provisions of the Decree, are also the competence of the Board of Directors.

Proposals for amendments and additions to the General Section of the Model and its annexes suggested by the Company may be submitted by the Supervisory Board to the Board of Directors, after consultation with the competent corporate departments.

Proposals for amendments and additions to the Special Section of the Model suggested by the Company may also be submitted by the Supervisory Board to the Chief Executive Officer, after consultation with the competent corporate departments. The CEO may approve them and is obliged to formally notify the Board of Directors of the changes made.

# SPECIAL SECTION

## 8. INTRODUCTION

The Special Section of the Model has the purpose of defining the rules of organisation, management and control that must guide the Company and all Recipients of the Model in the performance of activities within which predicate offences pursuant to Italian Legislative Decree 231/2001 may be committed.

In order to prevent or mitigate the risk of commission of offences provided by Italian Legislative Decree 231/2001, the Company, in addition to adopting a Group Code of Ethics and Conduct, has established specific prevention protocols for each of the 231 risk areas.

With reference to each of these risk areas, steps have been taken to: identify the risk profiles for the commission of the specific types of predicate offences; identify the persons involved in various ways in the performance of the activities; formulate principles of conduct and oversight to guard against said risk; identify the methods that Recipients of the Model must adopt to ensure a constant flow of information to the Supervisory Board, so that the latter may effectively and efficiently carry out its control activities.

The principles adopted by the Company for drafting the protocols are as follows:

- formal attribution of responsibilities;
- signatory powers and powers of internal authorisation should be granted on the basis of formal rules, in line with organisational and managerial responsibilities and with a clear indication of spending limits;
- separation of tasks and functions: different persons must authorise the operation, perform it, report on it control it;
- traceability: the formation of the acts and information/documentary sources used to support the activities must be traceable in order to ensure the transparency of the choices made; each operation must be documented in all phases so that verification and control is always possible. The verification and control activities must also be documented through the preparation of reports;
- filing/retention of documents: documents concerning the activities of the 231 risk area must be filed and retained by the Head of Department/Function involved or their proxies, in a manner that does not allow access by third parties without express authorisation. Documents officially approved by the company bodies and persons authorised to represent the Company towards third parties may not be modified, except as allowed by specific procedures, and in any case in a way that always allows the change to be traced;
- confidentiality: access to filed documents is permissible for the Head of the Department/Function and their proxies. It is also permissible for the Internal Audit function, members of the Statutory Board of Auditors, Supervisory Board, Board of Directors and independent auditors.

The scope of each Protocol encompasses the following:

- assumptions and objectives of the document:
  - Protocol objective;
  - Protocol recipients;
  - scope and activities related to 231 risk areas;
  - references;
  - types of offence;
- principles of conduct;
- principles of control;
- reporting to the Supervisory Board.

For each decision Protocol, a person must be appointed to guarantee compliance with and application of the rules of conduct and the controls specified in the document, ensure that they are updated and inform the Supervisory Board of significant facts or circumstances uncovered in the performance of activities at risk under their competence, in accordance with the provisions in the General Section. This person is generally the Head of the Department/Function within which the 231 risk area activities, or at least a significant portion of them, take place.



## 9. DECISION PROTOCOLS

The specific decision protocols, defined for each 231 risk area are:

- Staff selection, recruitment and management
- Procurement of goods and services
- Acquisition of consulting and professional services
- Management of litigation and settlement agreements
- Administration, accounting, budget and capital transactions
- Cash and financial flows
- Investments (equity investments, securities and extraordinary transactions)
- Relations with shareholders and company bodies
- Relations with the Public Administration and the Supervisory Authorities
- Infra-group relationships
- Tax management
- Reimbursement of expenses and representation expenses
- Insider information and internal dealing
- External and internal communication
- Institutional relations
- Gifts, donations and sponsorships
- Conflicts of interest and related parties
- Compliance with occupation health and safety requirements
- IT security

## ANNEXES

1. The crimes and administrative offences relevant to the purposes of Italian Legislative Decree 231/2001
2. Group Code of Ethics and Conduct
3. Inter-departmental Procedure – Management of Reports (Whistleblowing)