

# ORGANIZATIONAL, MANAGEMENT AND CONTROL MODEL



## GENERAL SECTION

*pursuant to Italian Legislative Decree No. 231 dated 8th  
June 2001*

Approved by the Board of Directors at its meeting held on March 22<sup>nd</sup>, 2024

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## 1. Italian Legislative Decree No. 231/2001

### 1.1. The administrative liability regime of entities

Italian Legislative Decree No. 231 dated 8<sup>th</sup> June 2001 introduced to Italy the administrative liability of entities with or without legal status for acts connected with committing crimes.

This legislation provides for the direct liability of entities with the application of penalties, resulting from the detection of certain crimes committed in the interest or to the advantage of the company by company representatives, managers and employees.

The criminal court, having jurisdiction over offenses committed by natural persons, also ascertains violations ascribable to companies. This element, together with the fact that the same legislation expressly provides for the extension of all guarantees envisaged for the defendant also to companies, means that it is, in fact, possible to speak of the criminal liability of companies.

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Financial penalties are always applied through a quota system, the amount of which is set by the judge in relation to certain parameters, including the seriousness of the crime committed as well as the degree of corporate liability.

Restrictive penalties<sup>1</sup> include:

- disqualification from carrying out the business activity in question;
- suspension or revocation of authorizations, licenses, or concessions instrumental to committing the crime;
- prohibition to enter into contracts with public administration authorities other than to achieve the performance of a public service;
- exclusion from subsidies, funding, contributions or grants as well as the possible revocation of those already approved;
- prohibition to advertise goods and services.

Upon request of the Public Prosecutor, where there are serious indications of corporate liability as well as the tangible danger of a reiteration of the crime, these penalties may also be ordered by the judge as a precautionary measure. Likewise, the preventive seizure of assets susceptible to confiscation and the precautionary seizure in the event of the risk of losing guarantees for possible state claims (legal costs, fines) can also be enforced by the judge. The range of predicate crimes, contained in the original text of the Italian Legislative Decree, has been progressively expanded<sup>2</sup>.

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<sup>1</sup> It should be noted that Law No.3 dated 9<sup>th</sup> January 2019 on 'Measures to fight crimes against public administration as well as on the matter of the statute of limitations and transparency of political parties and movements' (the so-called The Anti-Corruption Law) provided specific rules for the application of restrictive penalties for certain crimes committed against Public Administration authorities. (see Art. 25, paragraphs 5 and 5-bis of Italian Leg. Decree No. 231/2001).

<sup>2</sup> According to the constant lessons established by the jurisprudence of legitimacy, the declaration of corporate liability requires a two-fold level of legality: that is, it is necessary that the crime committed by the persons answering to the entity be

Currently, the crimes for which companies are directly liable include<sup>3</sup> :

- **Crimes committed against Public Administration Authorities:** embezzlement (Art. 314, paragraph 1 of the Italian Criminal Code); embezzlement through the profit of another person's error (Art. 316 of the Italian Criminal Code); misappropriation of public funds (Art. 316-bis of the Italian Criminal Code), wrongful receipt of public funds (Art. 316-ter of the Italian Criminal Code), bribery (Art. 317 of the Italian Criminal Code), corrupt conduct (Art. 318 of the Italian Criminal Code), bribery regarding an act contrary to official duties (Art. 319 of the Italian Criminal Code), bribery in judicial acts (Art. 319-ter of the Italian Criminal Code), undue inducement to give or promise benefits (Art. 319-quater of the Italian Criminal Code), incitement to bribery (Art. 322 of the Italian Criminal Code), abuse of office (Art. 323 of the Italian Criminal Code), influence peddling (Art. 346-bis of the Italian Criminal Code), troubled freedom of enchantments (Art. 353 of the Italian Criminal Code), disturbing the freedom to choose a contractor (Art. 353-bis of the Italian Criminal Code), public procurement fraud (Art. 356 of the Italian Criminal Code), fraud against the Italian State or any other public body or the European Union (Art. 640, paragraph 2, No. 1 of the Italian Criminal Code), aggravated fraud to obtain public funds (Art. 640-bis of the Italian Criminal Code), computer fraud against the Italian State or any other public body (Art. 640-ter of the Italian Criminal Code) as well as Community fraud against the European Agricultural Guarantee Fund and the European Agricultural Fund for Rural Development referred to in Art. 2 of Law No. 898 dated 23<sup>rd</sup> December 1986 (Articles No.24 and No. 25 of Italian Leg. Decree No. 231/2001);
- **Cybercrimes and illegal data processing:** introduced by Law No. 48/2008: electronic documents (Art. 491-bis of the Italian Criminal Code); unauthorized access to a computer or telecommunication system (Art. 615-ter of the Italian Criminal Code); unauthorized possession, distribution and installation of equipment, codes and other means of accessing computer or telecommunication systems (Art. 615-quater of the Italian Criminal Code); unauthorized possession, distribution and installation of computer equipment, devices or programs aimed at damaging or interrupting the operation of a computer or telecommunication system (Art. 615-quinquies of the Italian Criminal Code); wiretapping, blocking or illegally interrupting computer or information technology communications (Art. 617-quater of the Italian Criminal Code); possession, distribution and illegal installation of devices aimed at wiretapping, blocking or interrupting computer or information technology communications (Art. 617-quinquies of the Italian Criminal Code); damaging computer information, data and programs (Art. 635-bis of the Italian Criminal Code);

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provided for by a law that came into force prior to the commission of the crime, and that this crime be included in the exhaustive list of predicate crimes. "In fact, it emerges from all the provisions of Italian Leg. Decree No. 231/2001 that, unlike other legal systems, the Italian legal system does not provide for the extension of criminal liability to legal persons of a general nature, i.e. coinciding with the entire scope of the incriminations in force for natural persons but limits such liability only to the criminal offences peremptorily indicated in the aforesaid Italian Legislative Decree" (see Court of Cassation, 3<sup>rd</sup> Criminal Law Division 9<sup>th</sup> July 2021-20<sup>th</sup> January 2022, No. 2234; Idem No. 41329 dated 7<sup>th</sup> October 2008; Court of Cassation, Single Criminal Division, 30<sup>th</sup> January 2014, No. 10561; Court of Cassation, 6<sup>th</sup> Criminal Division, No. 3635 dated 20<sup>th</sup> December 2013-24<sup>th</sup> January); However, the principle of legal certainty has been called into question by a recent doctrinal interpretative guideline that has emerged in relation to the predicate crime of self-laundering.

<sup>3</sup> The list given on this, and the following pages is purely explanatory in nature and does not cover all the articles of the Italian Criminal Code referred to in Italian Leg. Decree No. 231/2001. Please refer to the annexed document entitled 'List of Criminal Offences' for further information on this matter.

damaging computer information, data and programs used by the Italian State or by any other public body or public service (Art. 635-ter of the Italian Criminal Code); damaging computer or telecommunication systems (Art. 635-*quater* of the Italian Criminal Code); damaging computer or telecommunication systems of public service (Art. 635-*quinqüies* of the Italian Criminal Code); computer fraud committed by the certifier of a digital signature (Art. 640-*quinqüies* of the Italian Criminal Code); violation of the perimeter of national cybersecurity, of crimes referred to in Art. 1, paragraph 11 of Italian Decree Law No. 105 dated 21<sup>st</sup> September 2019 (Art 24-bis of Italian Leg. Decree No. 231/2001);

- **Organized crime** introduced by Law No. 94/2009: criminal conspiracy (Art. 416 of Italian Criminal Code); Mafia-type organizations, including those of a foreign nature (Art. 416-bis of the Italian Criminal Code); electoral political Mafia exchange (Art. 416-ter of the Italian Criminal Code); kidnapping for the purpose of extortion (Art. 630 of the Italian Criminal Code); illegal trafficking in narcotic or psychotropic substances (Art. 74 of Italian Presidential Decree No. 309 dated 9<sup>th</sup> October 1990); crimes relating to the unlawful manufacture, introduction into the Italian State, sale, transfer, possession and carrying in a public place or a place open to the public of weapons of war or parts thereof, explosives, illegal weapons as well as several common firearms, excluding those provided for in Art. 2, paragraph 3, of Law No. 110 dated 18/04/1975 (Art. 407, paragraph 2, letter (a), and Law No. 5 of the Italian Criminal Code) (Art. 24-*ter* of Italian Leg. Decree No. 231/2001);
- **Crimes regarding counterfeiting of money, public credit cards, revenue stamps as well as instruments or signs of identification** (Art. 453 et seq. of the Italian Criminal Code), introduced by Decree Law No. 350/2001, converted into Law No. 409/2001; Law No. 99/2009 extending the applicability of Decree No. 231 also regarding the counterfeiting, alteration or use of trademarks, distinctive signs or patents, models and designs (Art. 473 of the Italian Criminal Code) as well as the introduction into the Italian State and trade of products with false advertising (Art. 474 of the Italian Criminal Code) (Art. 25-bis of Italian Leg. Decree No. 231/2001);
- **Crimes against industry and trade** introduced by Law No. 99/2009: Crimes against industry and trade introduced by Law No. 99/2009: infringement of the freedom of industry and trade (Art. 513 of the Italian Criminal Code); fraud in the conduct of trade (Art. 515 of the Italian Criminal Code); sale of non-genuine foodstuffs as genuine (Art. 516 of the Italian Criminal Code); sale of industrial products with false labels (Art. 517 of the Italian Criminal Code); manufacture and sale of goods made by usurping industrial property rights (Art. 517-*ter* of the Criminal Code); counterfeiting of geographical indications or designations of origin of agricultural food products (Art. 517-*quater* of the Italian Criminal Code); illegal competition through threats and violence (Art. 513-bis of the Italian Criminal Code); fraud against national industries (Art. 514 of the Italian Criminal Code) (Art. 25-bis., paragraph 1 of Italian Leg. Decree No. 231/2001);
- **Corporate crimes** provided for by the Italian Civil Code and by special laws, introduced by Italian Leg. Decree No. 61/2002: false corporate reporting (Art. 2621 of the Italian Civil Code); minor violations (Art. 2621-bis of the Italian Civil Code); false

corporate reporting of listed companies (Art. 2622 of the Italian Civil Code); Obstructing company control (Art. 2625 of the Italian Civil Code); undue repayment of contributions (Art. 2626 of the Italian Civil Code); unlawful distribution of profits and reserves (Art. 2627 of the Italian Civil Code); unlawful transactions carried out on stocks or shares of either the Company or its parent company (Art. 2628 of the Italian Civil Code); illegal transactions to the detriment of creditors (Art. 2629 of the Italian Civil Code); failure to disclose conflicts of interest (Art. 2629-bis of the Italian Civil Code); fictitious formation of the capital stock (Art. 2632 of the Italian Civil Code); improper distribution of corporate assets by its liquidators (Art. 2633 of the Italian Civil Code); private-to-private corruption (Art. 2635 of the Italian Civil Code); enticement to commit private-to-private corruption (Art. 2635-bis of the Italian Civil Code); unlawful influencing the Shareholders' meeting (Art. 2636 of the Italian Civil Code); market rigging (Art. 2637 of the Italian Civil Code); obstructing the duties of the Supervisory Board (Art. 2638 of the Italian Civil Code); false or omitted declarations relating to the issue of the preliminary certificate (Art. 54 of Italian Leg. Decree No. 19/2023) (Art. 25-ter of Italian Leg. Decree No. 231/2001);

- **Crimes for the purpose of terrorism or subversion of the democratic order** provided for in the Italian Criminal Code or in special laws, introduced by Law No. 7/2003 (Art. 25-quater of Italian Leg. Decree No. 231/2001);
- **Crimes against the person** provided for by the Italian Criminal Code: enslaving or keeping people enslaved (Art. 600 of the Italian Criminal Code); child prostitution (Art. 600-bis of the Italian Criminal Code); child pornography (Art. 600-ter of the Italian Criminal Code); possession of or access to pornographic material (Art. 600-quater of the Italian Criminal Code); online pornography (Art. 600-quater, paragraph 1 of the Italian criminal code); tourism initiatives aimed at exploiting child prostitution (Art. 600-quinquies of the Italian Criminal Code); human trafficking (Art. 601 of the Italian Criminal Code); purchasing and sale of slaves (Art. 602 of the Italian criminal code); unlawful intermediation and exploitation of labour (Art. 603-bis of the Italian Criminal Code), grooming of minors (Art. 609-undecies of the Italian Criminal Code) (Art. 25-quinquies of Italian Leg. Decree No. 231/2001);
- **Market abuse** pursuant to Articles 184 and 185 of Italian Leg. Decree No. 58/98 (Art. 25-sexies of Italian Leg. Decree No. 231/2001);
- **Crimes relating to involuntary manslaughter, serious or grievous bodily harm** (Articles 589 and 590, paragraph 3 of the Italian Criminal Code) committed in breach of the rules on accident prevention and the protection of hygiene and health in the workplace, introduced by Law No. 123/2007 and Italian Leg. Decree No. 81/2008 (Art. 25-septies of Italian Leg. Decree No. 231/2001);
- **Crimes relating to receiving stolen goods, money laundering, the employment of money, goods, and utilities of illegal origin, as well as self-laundering** (Articles 648, 648-bis, 648-ter and 648-ter, paragraph 1 of the Italian Criminal Code), introduced by Italian Leg. Decree No. 231/2007 (Art. 25-octies of Italian Leg. Decree No. 231/2001);
- **Crimes relating to non-cash payment instruments and fraudulent transfer of valuables**, introduced by Italian Leg. Decree No. 184/2021 and Law No. 137/2023

(Art. 25-octies, paragraph 1 of Italian Leg. Decree No. 231/2001); crime relating to fraudulent transfer of valuables amended by Law Decree n.19/2024;

- **Crimes relating to the breach of copyright** under Law No. 633/1941, introduced by Law No. 99/2009 (Art. 25-novies of Italian Leg. Decree No. 231/2001);
- **Crimes relating to the inducement not to make statements or to make false statements to the judicial authorities** (Art. 377-bis of the Italian Criminal Code), introduced by Law No. 116/2009, Art. 4 (Art. 25-decies of Italian Leg. Decree No. 231/2001);
- **Environmental crimes**, introduced by Italian Leg. Decree No. 121/2011 and Law No. 68/2015 (Art. 25-undecies of Italian Leg. Decree No. 231/2001);
- **Employment of illegally staying third-country nationals** (Art. 22, paragraph 12-bis of Italian Leg. Decree No. 286/1998, and Art. 12, paragraphs 3, 3-bis, 3-ter and 5 of Italian Leg. Decree No. 286/1998) introduced by Italian Leg. Decree No. 109/2012 (Art. 25-duodecies of Italian Leg. Decree No. 231/2001);
- **Racism and xenophobia** (Art. 3, paragraph 3-bis, Law No. 654/1975<sup>4</sup>), introduced by Law No. 167/2017 (Art. 25-terdecies of Italian Leg. Decree No. 231/2001);
- **Fraud in sports competitions, illegal gaming or betting and gambling using prohibited devices**, introduced by Law No. 39/2019 (Art. 25-quaterdecies of Italian Leg. Decree No. 231/2001)
- **Tax offenses** provided for by Italian Leg. Decree No. 74/2000, introduced by Law No. 39/2019 and Italian Leg. Decree No. 75/2020: fraudulent tax return by means of invoices or other documents for non-existent transactions (Art. 2); fraudulent tax return by means of other artifices (Art. 3); untrue tax return, committed within the framework of fraudulent cross-border schemes in order to evade payment of V.A.T. (Art. 4); omitted tax return, committed within the framework of fraudulent cross-border schemes in order to evade payment of V.A.T. (Art. 5); issue of invoices or other documents for non-existent transactions (Art. 8); withholding or destruction of accounting documents (Art. 10); undue offsetting, committed within the framework of fraudulent cross-border schemes and for the purpose of evading the payment of V.A.T. (Art. 10-quater); fraudulent evasion of tax payments (Art. 11) (Art. 25-quinquiesdecies of Italian Leg. Decree No. 231/2001);
- **Smuggling crimes** provided for by Italian Presidential Decree No. 43 dated 23<sup>rd</sup> January 1973, introduced by Italian Leg. Decree No. 75/2020 (Art. 25-sexiesdecies of Italian Leg. Decree No. 231/2001);
- **Crimes against cultural heritage** provided for by the Italian Criminal Code, introduced by Law No. 22/2022 (Art. 25-septiesdecies of Italian Leg. Decree No. 231/2001);

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<sup>4</sup> The reference made to Art. 3, paragraph 3-bis, of Law No. 654 dated 13<sup>th</sup> October 1975, following the entry into force of Italian Leg. Decree No. 21/2018 is intended to refer to the new Art. 604-bis of the Italian Criminal Code (Propaganda and enticement to commit crimes on grounds of racial, ethnic, and religious discrimination).



- **Crimes relating to the laundering, pillage and destruction of cultural and landscape assets** provided for by the Italian Criminal Code, introduced by Law No. 22/2022 (Art. 25-*duodevicies* of Italian Leg. Decree No. 231/2001);
- **Transnational crimes** provided for by the Italian Criminal Code and special laws, as identified by Law No. 146/2006.

Italian Leg. Decree No. 231/2001 applies to crimes committed by:

- persons in senior management positions, i.e. directors, general managers, heads of branch offices, department heads with financial and functional autonomy, as well as those who even only carry out the *de facto* management and control of the company;
- persons subject to the direction or supervision of the aforementioned persons, also meaning those who work in a position, even if not formally classifiable as an employee relationship, nevertheless subordinate, as stated, to the supervision of the company on behalf of which they act.

With specific regard to the potential perpetrators of the alleged crimes, it should be noted that, among the criminal offenses referred to by Italian Leg. Decree No. 231/2001, there are certain infringements that require the parties involved to possess a particular qualification (so-called **proper crimes**), so as to lead one to believe that the unlawful conduct may only be committed by those holding a specific role, function or office (i.e. public officials or persons in charge of a public service with regard to bribery, or directors, general managers, auditors, liquidators, contributing shareholders with regard to corporate crimes).

However, pursuant to Art. 2639 of the Italian Civil Code, the person formally vested with the qualification or entrusted with the relevant duties provided for by Italian law is comparable to both the person required to perform the same function, otherwise qualified, and to the person who continuously and significantly exercises typical powers inherent to said function or qualification (i.e. the '*de facto*' director). It should also be noted, in this regard, that Art. 5 of Italian Leg. Decree No. 231/2001 includes, within the scope of senior management, not only those who perform duties regarding the representation, administration, and management of the entity, but also those who carry out its '*de facto*' management and control (paragraph 1, letter a). Thus, the offender's lack of a formal qualification may not, however, lead to an automatic exemption from liability. Moreover, the same infringements may be committed by any person (employee or otherwise) in conjunction with the persons qualified under Art. 110 of the Italian Criminal Code.<sup>5</sup>

A further constituent element of the liability in question is the need for the alleged unlawful conduct to have been committed by the aforementioned persons either in the interest of or to the advantage of the company.

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<sup>5</sup> In this regard, the jurisprudence of legitimacy has clarified that 'for the purposes of applicability of Art. 117 of the Italian Criminal Code, which regulates the change of the title of a criminal offence for certain perpetrators, for the title of the 'offence committed under the colour of authority' to be extended to the extraneous perpetrator, it is necessary to be aware of the qualification of the intraneous perpetrator" (see Court of Cassation, 6<sup>th</sup> Criminal Division, No. 25390 dated 31<sup>st</sup> January 2019 no.).

According to the Report annexed to the Decree, the notion of 'interest' has a subjective basis<sup>6</sup>, indicating the purpose with a view to which the person committed the offense; whereas 'advantage' refers to the objective acquisition of a profit by the entity.

Thus, the company is liable whether the perpetrator actually committed the offense with the intention of either pursuing an exclusive or competing interest of the Company, or whether it is nevertheless advantageous to the Company itself. However, in the latter case, the company's liability is excluded if it implies that the perpetrator of the offense acted with the intention of pursuing an interest that was exclusively his or her own or, in any case, different from that of the Company.

### **1.2. Adoption of the Organizational, Management and Control Model as an exemption from administrative liability**

In the event of an offense committed by a member of senior management, Italian Leg. Decree No. 231/2001 excludes the company's liability if the company can prove that:

- prior to committing the offense, the management body has adopted and effectively implemented an Organizational, Management and Control Model capable of preventing infringements of the kind committed;
- the duty of supervising the operation of and compliance with the Organizational, Management and Control Model, ensuring that its updating has been entrusted to a body that is part of the company, vested with autonomous powers of initiative and control;
- the persons committed the offence by fraudulently circumventing the Organizational, Management and Control Model;
- there was no or insufficient supervision carried out by the Supervisory Board.

In the event of an offense committed by a person subject to the management or supervision of others, the company is deemed liable if the committed offense was made possible by the failure to comply with management or supervisory obligations.

In any case, non-compliance with management or supervisory obligations is excluded if, prior to committing the offense, the company adopted and effectively implemented an Organizational, Management and Control Model capable of preventing infringements of the kind committed.

The Organizational, Management and Control Model shall have to meet several requirements:

- identify the 'areas at risk', i.e. the activities within the scope of which offenses may be committed;

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<sup>6</sup> See, more recently, Court of Cassation, 4<sup>th</sup> Criminal Division, No. 12149 dated 24<sup>th</sup> March 2021. In this regard, the recent orientation of the Court of Cassation should be noted, which seems to emphasise the notion of interest also from an objective point of view, emphasizing the finalistic component of the conduct. (see Court of Cassation, 2<sup>nd</sup> Criminal Division, No. 2955 dated 5<sup>th</sup> October 2017 – 9<sup>th</sup> January 2018; Court of Cassation, 4<sup>th</sup> Criminal Division, no. 373 dated 7<sup>th</sup> November 2019 – 29<sup>th</sup> January 2020).

- envisage specific protocols aimed at planning the development and implementation of the Company's decisions in relation to the offenses to be prevented;
- identify ways of managing financial resources suitable to prevent offenses being committed;
- provide for information obligations with respect to the body in charge of supervising the implementation and compliance with the Organizational, Management and Control Model;
- introduce an appropriate disciplinary system to penalize non-compliance with the measures specified in the Organizational, Management and Control Model.

In relation to the nature and size of the organization, as well as to the type of business activities performed, the model must provide for appropriate measures to be implemented so as to ensure that the business activities are carried out in compliance with the law and in order to detect and eliminate risk situations in a timely manner.

The effective implementation of the Organizational, Management and Control Model requires periodic inspection and possible amendment thereof when significant breaches of the provisions are encountered, or when changes occur in the organization or Company business activities. Thus, in order to effectively operate, the system briefly outlined above cannot be reduced to a *one-off* activity, yet it must be deemed a continuous process (or, in any case, carried out at appropriate intervals).

### **1.3. Protection of person reporting offenses and irregularities (Whistleblowing)**

Pursuant to Art. 6, paragraph 2-bis of Italian Leg. Decree No. 231/2001<sup>7</sup>, the Company has adopted communication channels in order to combat unlawful conduct and breaches detrimental to the public interest or the integrity of the entity, which enable persons inside and outside the Company, inasmuch as they have a specific legal relationship with it<sup>8</sup>, to report<sup>9</sup> relevant misconduct both pursuant to the Decree, or breaches to the Organizational, Management and Control Model, and of the Code of Ethics adopted by both the Company and the Group, of which they have become aware within the context of their business activities (also known as Whistleblowing).

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<sup>7</sup> As reworded by Art. 24 of Italian Leg. Decree No. 24 dated 10<sup>th</sup> March 2023 implementing EU Directive 2019/1937 of both the European Parliament and European Council dated 23<sup>rd</sup> October 2019 on the protection of persons who report breaches of EU law, laying down provisions concerning the protection of persons who report infringements of national laws.

<sup>8</sup> i.e.: employees, self-employed workers, collaborators, consultants, freelancers, volunteers, and trainees (also those who carry out unpaid work), shareholders and persons holding administrative, management, control, supervisory or representative positions, also of a *de facto* nature, workers, or collaborators upon the premises of suppliers of goods, services, and work. The protection of the whistleblower also applies when the legal relationship with the Company has not yet begun, if information regarding breaches has been acquired during the selection process or other pre-contractual stages, as well as during the trial period and after the termination of the legal relationship itself, in the case that information on such breaches has been acquired during the course of the business relationship itself.

<sup>9</sup> Disclosure of information, including well-founded suspicions, concerning breaches either already committed or likely to be committed, as well as information concerning conduct aimed at concealing such breaches.

Moreover, as the Company has reached an average of at least fifty employees having signed either permanent or fixed-term employment contracts over the last year<sup>10</sup>, through the aforementioned internal communication channels, reports may also be made of information concerning conduct, acts or omissions relating to European Union or national law in certain sectors, as referred to in Art. 2, paragraph 1, letter a), Nos. 3), 4), 5) and 6) of Italian Leg. Decree No. 24 dated 10<sup>th</sup> March 2023<sup>11</sup> (hereinafter also referred to as the "Whistleblowing Regulations").

Through the use of encryption tools, these channels also ensure confidentiality of the identity of the person reporting said irregularities<sup>12</sup> as well as that of the person involved or otherwise mentioned in the report itself, together with the content of the report and of the relevant documentation, throughout the management of the report.

The disciplinary system provides for measures to be taken against those who violate the Whistleblowing regulations, procedures, or protective measures.

Any act of retaliation<sup>13</sup> against the Whistleblower<sup>14</sup> for reasons directly or indirectly linked to the report is severely forbidden.

The adoption of such measures may be reported to ANAC (The Italian National Anti-Corruption Authority)<sup>15</sup>.

The Whistleblowing regulations envisage that retaliatory dismissal of the Whistleblower, as well as any other retaliatory measures taken against him or her, is to be deemed null and void.

In the event of any disputes regarding the implementation of any disciplinary penalties, de-skilling, dismissals, transfers, or subjecting to any other measure having a direct or indirect detrimental impact on the Whistleblower's working conditions or contractual relationship, the duty to prove that such conduct or acts are motivated by grounds unrelated to the report<sup>16</sup> lies with the person who has perpetrated them.

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<sup>10</sup> In such cases, with reference to the offenses/breaches referred to in Article 2, paragraph 1, letter a), Nos. 3, 4, 5 and 6 of Italian Leg. Decree No. 24/2023, where the relevant legal requirements are met, external reports submitted to ANAC and public disclosures are also possible, in addition to reports to the judicial or auditing authorities.

<sup>11</sup> These infringements consist of: breaches falling within the scope of EU or national legislation, including those implementing EU acts, in certain areas (e.g. public procurement, product safety and conformity, transport safety, environmental protection, public health, protection of privacy and personal data protection as well as the security of networks and information systems); acts/misdemeanours affecting the financial interests of the EU or concerning the internal market, including competition, state aid and corporate taxation, or which defeat the object or purpose of provisions of EU acts in the aforementioned areas (see Art. 2, paragraph 1, letter a), Nos. 3, 4, 5, 6 of Italian Leg. Decree No. 24/2023). For further details, please refer to the corporate procedure on *Whistleblowing*.

<sup>12</sup> With regards to the facilitator, i.e. the natural person who assists the Whistleblower throughout the reporting process, operating within the same workplace and whose assistance must be kept confidential.

<sup>13</sup> Retaliation shall mean any conduct, act, or omission, even if only attempted or threatened, following the filing of the report or the complaint with judicial or auditing authorities or public disclosure, which causes or may cause the Whistleblower or complainant, to suffer unjust damage of either a direct or indirect nature.

<sup>14</sup> The protection of the Whistleblower against retaliatory measures is also applicable in cases of a complaint filed with the judicial or auditing authorities or public disclosure, where legal requirements are met. Moreover, protection against retaliatory measures in favor of the Whistleblower (or the complainant with the judicial or auditing authority or of the person who made a public disclosure) extends, according to the law in force, to facilitators, to persons within the same workplace as the Whistleblower and who are linked to him/her by a sound emotional bond or kinship up to the 4<sup>th</sup> degree, to the Whistleblower's colleagues who work within the same workplace and who have a habitual, current relationship with that person, to the entities owned by the Whistleblower or for which the Whistleblower works, as well as to the entities operating within the same workplace.

<sup>15</sup> ANAC informs the National Labour Inspectorate with regards to measures to be taken within its competence.

<sup>16</sup> i.e. reporting to the judicial or auditing authorities or public disclosure.

#### **1.4. Guidelines drawn up by trade associations**

The same Italian Leg. Decree No. 231/2001, in Art. 6, paragraph 3, provides that models may be adopted on the basis of codes of conduct drawn up by the associations representing the entities and subsequently communicated to the Ministry of Justice.

More specifically, it is worth mentioning that in June 2021, Confindustria (The General Confederation of Italian Industry) published the latest version of its '*Guidelines for the Preparation of Organizational, Management and Control Models*'.

## **2. Adoption of the Organizational, Management and Control Model in Thales Alenia Space Italia S.p.A.**

### **2.1. Objectives pursued by the Company via adoption of the Model**

In order to ensure fairness in the conduct of business activities as well as with a view to disseminating and promoting integrity and transparency, the Company deemed it appropriate to implement the indications of Italian Leg. Decree No. 231/2001 and to adopt an Organizational, Management and Control Model (hereinafter referred to as the 'Model') aimed at preventing the risk of committing crimes covered by the Legislative Decree itself.

The decision to adopt the Model was implemented with the aim of protecting its corporate image, the interests and expectations of employees, shareholders, clients, as well as the general public, and to raise awareness among all collaborators and all those who work in the name and on behalf of the Company of the need to adopt an appropriate conduct in order to avoid committing infringements.

Thales Alenia Space Italia S.p.A. (hereinafter, also referred to as either 'TASI' or the 'Company') has prepared its own Model considering, in addition to the indications contained in the Legislative Decree and all the relevant laws on this subject, also the following:

- the Guidelines for the preparation of Organizational, Management and Control Models pursuant to Italian Leg. Decree No. 231/2001 drawn up by Confindustria and last updated in June 2021;
- Art. 30 of Italian Leg. Decree No. 81/2008 as amended and supplemented (the so-called Consolidated Safety Act);
- the provisions of Italian Leg. Decree No. 24/2023 on Whistleblowing.

The Model was approved and adopted by the Board of Directors, in accordance with Art. 6, paragraph 1, letter a), which provides for the Model as an expression of the Company's Management Body.

In addition to adopting the Model, in accordance with Art. 6, paragraph 1, letter b), the Board of Directors established the Supervisory Board, whose task is to ensure the effectiveness of the Model itself, as well as to verify its compliance and ensure that it is updated.

## 2.2. Purpose and principles of the Model

The Model meets the Company's need to perfect its system of internal controls and to avoid the risk of offenses being committed.

This aim is achieved through the identification of 'sensitive' activities, the preparation of a coherent, structured system of procedures together with the implementation of an adequate risk control system.

The basic principles of the Model must:

- make the potential perpetrator aware that he or she is committing an offense against the Company's principles and interests, even when the offense itself would apparently secure an advantage to the Company;
- make it possible to monitor sensitive activities and intervene to prevent committing the offense and, if necessary, reinforce the internal control system by modifying procedures, authorisation levels or support systems.

For the purpose of preparing this Model:

- areas at risk of committing offenses pursuant to Italian Leg. Decree No. 231/2001 were identified, through the analysis of the business activities performed, existing procedures, practices, and authorization levels. For a thorough examination of the methods followed in the complex and articulated *Risk Assessment activity*, see Chapter 7 '*Outcome of the Risk Area Mapping Activity*';
- adequate internal control systems were defined for risk areas, in order to prevent committing offenses, and appropriate organizational procedures were drawn up;
- the financial resource management process was analyzed;
- a Supervisory Board was identified and assigned the task of overseeing the correct implementation of the Model through the monitoring of activities as well as the definition of information flows from the sensitive areas;
- tasks and powers were vested in this Board and to the Senior Management of the company, so as to ensure effective supervision of the implementation and adequacy of the Model, also for the purposes of exemption;
- a disciplinary system to be adopted in the event of violation of the Model was provided for, in accordance with existing legislation on the subject;
- Awareness-raising and training as regards the procedures and adherence to the behavioural rules laid down in the Model were initiated at all company levels.

The purpose of the Model is to establish a formalized, clear organizational system with regard to the allocation of responsibilities, hierarchical reporting lines and description of tasks, with specific provision for control principles.

## 2.3. The pivotal role of the TASI Code of Ethics

The Code of Ethics of Thales Alenia Space Italia S.p.A., which is an integral part of the Model, indicates the general principles and rules of conduct with which the Company recognizes a positive ethical value and with which all Recipients must comply. These are all Directors,

Statutory Auditors, employees, including managers, as well as all those who, although external to the Company, work for it either directly or indirectly.

These values are based on the principles of compliance with the law, fairness, impartiality, honesty, integrity, and transparency.

The Company's Code of Ethics fully incorporates the principles contained in the *Code of Conduct - Prevention of Corruption and Influence Peddling*, introduced and disseminated in compliance with the requirements of *Loi Sapin II (LOI n° 2016-1691 du 9 décembre 2016 relative à la transparence, à la lutte contre la corruption et à la modernisation de la vie économique (Law No. 2016/1691 dated 9<sup>th</sup> December 2016 relating to transparency, anticorruption and the modernization of economic life)*, version updated in April 2021) by the Parent Company, Thales S.A., to all its subsidiaries operating worldwide, including TASI.

## **2.4 Recipients of the Model**

The rules contained in TASI's Model apply to those who hold, even on a '*de facto*' basis, positions relating to Company representation, administration, management, and control, to all employees and subordinate workers of the Company, as well as to external persons subject to management and control by virtue of specific contractual agreements.

The Model also applies, within the limits of the existing business relationship, to those who, although not employed directly by the Company itself, operate either by mandate, on behalf of the same or are, in any case, linked to TASI by legal relationships relevant in relation to the possible configuration of offenses provided for by Italian Leg. Decree No. 231/2001.

As identified above, the Recipients of the Model are required to comply with all the provisions contained therein, as well as with all the procedures for their implementation and with the laws in force, with the utmost fairness and diligence.

## **3. The Thales Alenia Space Italia S.p.A. Organisational system**

### **3.1. A summary of Thales Alenia Space Italia S.p.A. business activities**

Thales Alenia Space Italia S.p.A. together with its subsidiaries and affiliates are present in the sectors of design, development and management of space and stratospheric subsystems as well as systems such as satellites, platforms, probes, infrastructures, launchers, means of transport and any other product destined for space and stratospheric applications, or, in any case, involving space or the stratosphere, as well as in the nuclear physics and other sectors that require the use of similar technologies that, due to the importance of the activities, plays a role of paramount importance in relation to the market, economic development alongside technological and scientific progress of the sectors in which it operates.

The Company pursues its mission in strict adherence to its aim of creating value for its shareholders without neglecting the safeguarding of national expertise within its field of business while being part of a transnational group.

Thales Alenia Space Italia S.p.A., a Sole Shareholder Company subject to the joint management and co-ordination of Thales S.A. and Leonardo S.p.A., is the Italian-registered entity of Thales Alenia Space S.a.s., a company incorporated under French law, and is 100% owned by the latter.

Thales Alenia Space has Thales S.A. (67%) and Leonardo (33%) as shareholders and forms the '*Space Alliance*' with Telespazio S.p.A. Thales Alenia Space S.a.s. representing a worldwide reference for development within the space sector: from navigation to telecommunications, from meteorology to environmental control, from defense to science and observation.

Thales Alenia Space S.a.s. has industrial sites located in several European countries (e.g. France, Italy, Spain, Belgium, Germany, and Poland) with over 7,000 employees. Today, it is Europe's leading provider of satellite solutions for Defense and Security, and it is also the European reference provider of operational services for the European Space Agency (ESA), the French Space Agency (CNES), the Italian Space Agency (ASI), as well as for the Italian, French and German Ministries of Defense. Thales Alenia Space also operates within the civil-military satellite export market.

### **3.2. The Governance System**

The governing bodies of Thales Alenia Space Italia S.p.A. are organized according to the traditional model of Italian joint-stock companies and include:

- SHAREHOLDERS' MEETING, empowered to pass resolutions in ordinary and extraordinary sessions on matters assigned to it by law or by the Articles of Association;
- BOARD OF DIRECTORS, vested with the broadest powers with regards to the administration of the Company, with the authority to perform all appropriate actions in order to achieve corporate purposes, with the exclusion of acts reserved - by law and by the Articles of Association - to be carried out at the Shareholders' Meeting;
- BOARD OF STATUTORY AUDITORS, whose task is to supervise: a) compliance with the law and the Articles of Association as well as observance of the principles of proper administration; b) the adequacy of the Company's organisational structure, the internal control system, and the administrative-accounting system, also with regard to the latter's reliability in correctly representing management events;
- AUDITING COMPANY, as required by current legislation, auditing activities are carried out by an auditing company registered in a special Company register, appointed specifically for this purpose at the Shareholders' Meeting.

For a detailed description of the organizational structure, please refer to the organizational charts prepared by the Company, which identify the hierarchical subordination of the professional figures involved.



Organizational charts and the role-based delegation of powers are to be considered an integral part of the Model.

### **3.3. The Financial Resources Management System**

Art. 6, paragraph 2, letter c) of Italian Leg. Decree No. 231/2001 requires that Models must provide for the management of financial resources in such a way so as to prevent committing offenses. The grounds for this provision are to be found in the fact that numerous offenses relevant to the regulation in question may be committed through the Company's financial resources.

The financial resource management process was analysed in order to ascertain that it is based on specific control principles such as:

- The separation of roles at key stages of the process;
- The traceability of acts and authorization levels to be associated with individual operations;
- Monitoring the correct performance of the various stages of the process:
- A specifically formalized payment order request;
- Authorization of the competent department;
- Monitoring of correspondence between goods received and goods ordered;
- Verification of payment;
- Invoice control;
- Entering in the accounts system;
- Documentation of the inspections carried out.

## **4. Structure of the Organizational, Management and Control Model: General and Special Sections**

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

The General section, consisting of this document, describes the contents and impacts of Italian Leg. Decree No. 231/2001, the Model's basic principles and aims, the responsibilities of the Supervisory Board, the procedures for the adoption, dissemination, updating and implementation of the Model contents, as well as the provision of the disciplinary system.

The purpose of the Special Section is to define the management rules and principles of conduct that all the Model Recipients must comply with in order to prevent, within the context of the specific business activities carried out in Thales Alenia Space Italia S.p.A. and considered 'at risk', committing the offenses provided for by Italian Leg. Decree No. 231/2001, as well as to ensure conditions of fairness and transparency in the performance of company activities.

More specifically, the Model aims to:

- state the rules to be complied with by the Recipients to achieve the proper implementation of the Model;
- provide the Supervisory Board and the other control bodies with the appropriate tools in order to carry out monitoring, control, and inspection activities.

As a general rule, all Recipients shall adopt conduct in compliance with the determinations contained in the TASI 'Model' each for the aspects falling within their respective competences:

- Organizational, Management and Control Model pursuant to Italian Leg. Decree No. 231/2001 - General and Special Sections;
- Code of Ethics;
- Internal regulations (policy, organizational procedures);
- Existing powers of attorney and proxies.

All other elements of the internal regulations (rules, policy, work instructions) must be defined in accordance and in compliance with the control principles expressed in the TASI Model.

## **5. Amendments made and additions to the Model**

Since the Model is a document issued by senior management, all subsequent amendments and additions are referred to the Board of Directors of the Company.

## **6. The Supervisory Board**

### **6.1. Identification of the Supervisory Board**

The Supervisory Board (hereinafter referred to as 'SB') is appointed by the Board of Directors and remains in office for three years.

It is a collegial body generally consisting of the *pro tempore* Head of the Company's Legal Contracts & Compliance Function and two external members (one of whom is appointed as the Chairman/Chairwoman). The members of the Supervisory Board have proven professional legal and advisory skills, knowledge of specific techniques, and are able to ensure the effectiveness of the vested control and proposal-making powers.

The Supervisory Board in charge of supervising the operation of and compliance with the Model meets the requirements of:

- autonomy and independence, insofar as it reports directly to the company's senior management and has no operational duties which, if assigned, could undermine its objectivity of judgement;
- professionalism, as its members are equipped with a wealth of tools and skills that enable them to effectively carry out their assigned tasks;
- continuity of action, since it is a structure set up *ad hoc*, dedicated to supervising the Model, as well as lacking operational tasks that could result in it taking decisions having economic and financial impacts.

In the event of specific technical expertise is required, the Supervisory Board may avail itself of the consultancy services of external professionals.

The Supervisory Board has a Technical Secretariat that supports it in the performance of its activities, and which is responsible, among other things, for accessing the e-mail address reserved for sending information and document flows transmitted to the Supervisory Board itself, and for referring to and storing confidential documentation, in compliance with the provisions of the Law.

## **6.2. Grounds for ineligibility and incompatibility**

With reference to the grounds for ineligibility and incompatibility, it should be noted that the members of the Supervisory Body must neither be related to Senior members of the Company, nor must they be directly linked to the same by economic interests or any other situation that could generate a conflict of interest, with the exception of a salaried employment relationship.

If the Chairman or a member of the Supervisory Body incurs one of the aforementioned situations of incompatibility, the Board of Directors, having carried out the appropriate checks and spoken to the person concerned, shall establish a term of no less than 30 days within which the situation of incompatibility must be terminated. Once this term has elapsed without the aforesaid situation having ceased, the Board of Directors shall revoke the relevant mandate.

No members of the Supervisory Board may be appointed:

- a) against whom criminal proceedings have been brought or a measure restricting personal freedom has been taken for one of the crimes provided for in the Italian Leg. Decree and proceedings are therefore pending;
- b) whom have received a criminal conviction sentence, even if not of a final nature, for one of the crimes set out in the Italian Leg. Decree.

## **6.3. Termination of office**

The dismissal of the Supervisory Board and each member is the sole responsibility of the Board of Directors.

Each member of the Supervisory Board may not be dismissed, except for just cause. Just cause for revocation shall mean:

- disqualification, inability, or a serious illness that renders the member of the Supervisory Board unable to perform his or her supervisory duties, or an illness that, in any case, results in his or her absence from the workplace for a period exceeding six months;
- the assignment to the Supervisory Board of operational duties and responsibilities, or the occurrence of events, incompatible with the requirements of autonomy of initiative and control, independence, and continuity of action, to be specifically carried out by the Supervisory Board;

- a serious breach of Supervisory Board duties;
- an irrevocable conviction of the company pursuant to the Italian Leg. Decree, or criminal proceedings concluded through the application of the penalty at the request of the parties, so-called 'plea bargaining', where documents prove 'lack of or inadequacy' on behalf of the Supervisory Board, in accordance with Art. 6, paragraph 1, letter d) of the Italian Leg. Decree;
- an irrevocable conviction, against members of the Supervisory Board, for having personally committed one of the offences provided for said Decree;
- an irrevocable conviction, against a member of the Supervisory Board, regarding a penalty entailing disqualification, even of a temporary nature, from his or her public office, or temporary disqualification from the executive offices of legal persons and companies.

In the cases described above where a conviction sentence has been ruled, pending the irrevocability of said sentence the Board of Directors may also order the suspension of the powers vested in the member(s) of the Supervisory Board.

Each member of the Supervisory Board may withdraw from office at any time whatsoever by giving at least three months' prior notice.

#### **6.4. Responsibilities, requirements, and powers of the Supervisory Board**

The responsibilities of the Supervisory Board of Thales Alenia Space Italia S.p.A. are as follows:

- to analyze the actual adequacy of the Model in order to prevent committing offenses covered by Italian Leg. Decree No. 231/2001;
- to monitor the effectiveness of the Model, checking its consistency with the actual conduct and detecting any violations;
- to verify the permanence, over time, of the requirements of effectiveness and adequacy of the Model;
- to provide for the updating the Model, when the analyses carried out identify the need for corrections or updates due to regulatory amendments, changes in the corporate structure or in the business activities carried out.

To this end, the Supervisory Board is assigned the duty of carrying out the following activities:

- to carry out periodic checks on individual transactions or actions within the areas at risk of offenses being committed, with the co-operation of the department heads involved;
- also to involve operational contact persons directly in the audits;
- to carry out unannounced spot checks on effective compliance with existing procedures and other control systems in areas at risk of offenses being committed;
- to constantly monitor the evolution of the corporate organization and business sectors, also by availing of the services of external consultants, in order to promote the possible updating of the list of corporate areas at risk of offenses being committed, with the co-operation of the department heads involved;

- to request any information deemed relevant in order to verify the effectiveness and adequacy of the Model from the department heads of each area at risk of offences being committed and, if necessary, a periodical self-assessment by said departments involved;
- to collect information from any of the employees in relation to:
  - any critical aspects of the measures provided for in the Model ;
  - any situation that might expose the company to the risk of crime;
- to collect and store in a specifically dedicated archive:
  - documentation relating to the procedures and other measures provided for in the Model which must be updated from time to time;
  - information collected or received throughout the course of its activities;
  - evidence of the various business activities carried out;
  - documentation of meetings with corporate bodies to which the Supervisory Board reports;
  - to verify that all department heads in the areas at risk of offenses being committed ensure that the employees reporting to them are fully aware of and comply with the procedures or any other provisions of interest to the relevant department;
- to co-ordinate with the relevant department heads to ensure the ongoing training of personnel in relation to the issues covered by Italian Leg. Decree No. 231/2001;
- to provide recommendations to the other department heads involved, relating to the drafting of new procedures and the implementation of other organizational measures, as well as, if deemed necessary, to amend existing procedures and measures;
- to monitor, also with the support of the Legal, Contracts & Compliance Function and/or with the collaboration of external consultants, the regulatory provisions relevant to the effectiveness and adequacy of the Model;
- to schedule periodic meetings with the department heads involved, in order to gather any information deemed useful to update or adapt the Model;
- to have its own fund in order to carry out its duties, to the extent approved by the Board of Directors;
- to autonomously entrust appointments to professionals and consulting firms, in relation to matters relevant to Italian Leg. Decree No. 231/2001;
- if deemed necessary, to submit written proposals to adapt the Model to the Board of Directors for subsequent approval;
- to verify the implementation of previously formulated proposals to adapt the Model;
- to have access to all relevant company documentation for the purpose of verifying the adequacy of and compliance with the Model and the Code of Ethics.

The activities carried out by the Supervisory Body cannot be reviewed by any other corporate Body or structure, it being understood, however, that the management is, in any case, called upon to carry out a supervisory activity on the adequacy of its intervention, since the management is ultimately responsible for the operation and effectiveness of the Organizational Model.

In order to be able to fully perform its duties, the Supervisory Board has adequate financial resources at its disposal and is entitled to avail itself of the assistance of the company structures present.

The Supervisory Body formulates a set of rules and regulations to govern its business activities (determination of the time intervals for inspections, the identification of analysis criteria and procedures, the scheduling of activities, minutes of meetings, etc.).

### **6.5. Reporting to corporate Bodies**

The Supervisory Board reports the results of its activities to the Board of Directors and the Board of Statutory Auditors.

In particular, the Supervisory Board :

- constantly reports its activities to the Managing Director or the Chairman of the Board of Directors;
- reports half-yearly to the Board of Directors, by submitting a written report, on its supervision, maintenance and updating of the Organizational, Management and Control Model;
- forwards a copy of this report to the Board of Statutory Auditors;
- immediately reports to the Board of Directors and to the Managing Director or the Chairman of the Board of Directors in the event of facts highlighting serious critical aspects of the Organization, Management and Control Model;
- submits to the Board of Directors, where deemed applicable, and/or to the Managing Director or the Chairman of the Board of Directors, any proposals for amendments made and/or additions to the Model, also considering any critical issues identified for its subsequent approval;
- notifies the Board of Statutory Auditors of any shortcomings found in the assessment relating to the concrete implementation of the Model.

### **6.6. Information flows to the Supervisory Board**

The activity of monitoring the effectiveness of the Model and of ascertaining any breaches thereof as well as of the Code of Ethics is facilitated by means of information that the individual Company departments must submit to the Supervisory Board, as also provided for in Art. 6, paragraph 2, letter d) of Italian Leg. Decree No. 231/2001.

This obligation, addressed to the Company departments at risk of offenses being committed, essentially regards the periodic results of the activities carried out.

In addition, all information containing relevant elements in relation to the supervisory activity must be submitted to the Supervisory Board, such as, by way of example:

- decisions relating to the application for, disbursement and use of public funds;

- measures and/or news from the judicial police, or any other authority, from which it is inferred that investigations are being conducted, even against unknown persons, regarding offenses referred to in the Italian Leg. Decree;
- requests for legal assistance made by employees and/or managers against whom the Judiciary is proceeding in relation to one of the offenses referred to in Italian Leg. Decree No. 231/2001;
- reports prepared by the managers of the Company's Areas/Departments within the context of the control activities carried out, from which facts, actions, events, or omissions may emerge with critical profiles with regards to the provisions put forward by Italian Leg. Decree No. 231/2001;
- a copy of periodic reports on health and safety at work (e.g. a copy of the Risk Assessment Document, any relevant updates, etc.), as well as on accidents, injuries, verification inspections and/or any other circumstances relevant to the implementation of the Model;
- findings of any commissions of inquiry, or internal reports from which responsibility for offenses under Italian Leg. Decree No. 231/2001 emerges;
- summary reports of any sensitive activities performed;
- any amendments and/or additions made to the system of delegated powers and powers of attorney;
- information on the actual implementation of the Model, at all company levels, with evidence of any disciplinary proceedings carried out and penalties imposed, or of the orders to dismiss such proceedings with the relevant grounds;
- outcomes of the inspections – of both a preventive and subsequent nature - carried out during the reference period, on contracts awarded to market operators, following national and European tenders, or by private treaty;
- results of monitoring and control activities already carried out during the reporting period, on contracts acquired from public entities or those performing public utility services.

In addition to the aforementioned reporting system, the periodic communications prepared by the Administrative Management concerning the lack of critical issues that have emerged in its activities must be considered as qualifying elements of the control system on financial flows.

The Board of Statutory Auditors is also required to inform the Supervisory Board of any shortcomings found relevant to the Model.

The Supervisory Board has the duty to request, if deemed necessary, any additions to be made to the information, which must be submitted by the individual Company departments.

The information received by the Supervisory Board shall be used to improve the planning of control activities.

## 6.7 Validity of Resolutions

In order for resolutions of the Supervisory Board to be deemed valid, a majority<sup>17</sup> of the members in office must be present. With regards to resolutions concerning sensitive issues, i.e. particularly important issues or those involving senior management, the presence of all the members of the Supervisory Board in office is required.

The resolutions of the Supervisory Board are taken by an absolute majority of those present. The vote is open unless the Supervisory Board decides otherwise.

## 7. Internal reporting of offenses and irregularities: Whistleblowing

The Company has adopted internal channels in order to allow the reporting of unlawful conduct pursuant to Italian Leg. Decree No. 231/2001 or of breaches of both the Model as well as of the relevant Company's and Group Code of Ethics adopted, together with any offenses falling within the scope of application of European Union acts or national acts, including those implementing European Union acts, within certain sectors<sup>18</sup> and of acts or omissions detrimental to the financial interests of the European Union or regarding the internal market or which defeat either the object or purpose of the provisions of the European Union acts in the aforementioned contexts, which the Whistleblower has become aware of in the course of his or her work and which are detrimental to the public interest or the business integrity of the Company.

The recipient of the reports forwarded through the Company's internal channels, responsible for receiving, analyzing, and investigating them, is the Supervisory Board. The handling of the report may, in any case, provide for the involvement of other persons or competent Company structures/departments and Bodies, always in compliance with the confidentiality obligations prescribed by the Whistleblowing Regulation and, more specifically, with the prohibition to disclose the identification data of the Whistleblower without his or her express consent.

Reports may be transmitted to the recipient in either **written or oral** forms through the following internal channels:

- **IT platform:** a dedicated IT system to be used in preference and available at the following link: <https://thales.integrityline.org/>, where the Whistleblower, after accessing the home page, must fill in the necessary information therein and follow the procedures specified within the application in order to submit the report;
- **Hardcopy, regular or registered mail:** to be sent to the Company's registered office located in Via Saccomuro, 24 - 00131 Rome (Italy) and addressed as follows: "*To the confidential attention of the Supervisory Board*"<sup>19</sup>. The Whistleblower must send the report in two sealed envelopes: the first containing his or her identification data (possibly stating his/her contact details) together with a photocopy of his or her ID document; the second containing the report; both envelopes must then be placed in a third envelope;
- **In-person meeting:** the Whistleblower may submit a request for an in-person meeting with the Supervisory Board via e-mail, following the instructions above. The meeting shall be scheduled within a reasonable time following the date of the request. In this

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<sup>17</sup> Half plus one of the members in office.

<sup>18</sup> The sectors concerned are specified in the Guidelines on Whistleblowing adopted by the Company.

<sup>19</sup> It is recommended to specify on the outer envelope that it is a whistleblowing report.



case, the report is documented, subject to the Whistleblower's consent, either by recording it on an appropriate device to store and listening to it at a later date, or by taking minutes. In case minutes are taken, the Whistleblower may verify, rectify, and confirm what is reported therein by signing the relevant document.

These channels guarantee the confidentiality of both the Whistleblower's identity<sup>20</sup> as well as that of the person involved or otherwise mentioned in the report, together with the content of the report and the relevant documentation.

Any anonymous reports transmitted through the Company's internal channels, although they are not deemed reports within the strict meaning of the Whistleblowing Regulation itself, are taken into consideration and handled in the event they provide sufficient and substantiated elements regarding the verification of the facts reported.

Prerequisites and methods of communication and management of internal reports are governed by the Operational Guidelines for the submission and management of reports adopted by the Company (the so-called "Whistleblowing Guidelines").

In any case, all information concerning the reporting channels, the relevant procedures, and prerequisites on how to prepare internal and external reports, in accordance with the Whistleblowing Regulation, are displayed, made easily accessible in the workplace and also made accessible to interested third parties (e.g. intranet, specific communications, newsletters, publication in a dedicated section on the Group website).

## **8. Outcome of the risk area mapping activity**

The types of offenses, in relation to which the regime of the administrative liability of entities is applicable, are briefly listed in this Model, in the chapter dedicated to the description of the regulations of Italian Leg. Decree No. 231/2001. Further details of these offenses are stated in the List of criminal offences, as well as in the Special Section, which represents the outcome of the *risk assessment* activity carried out in TASI, and which indicates the control measures adopted by the Company in order to prevent the identified risks.

As one of the essential elements of the Organizational, Management and Control Models provided for by Art. 6, paragraph 2, letter a) of Italian Leg. Decree No. 231/2001, it is stated that the identification of so-called 'sensitive' activities, i.e. those company activities within the scope of which there could be a risk of one of the offenses expressly referred to in the Decree being committed. The company document entitled "*Map of areas at risk pursuant to Italian Leg. Decree No. 231/01*" summarizes the outcome of this analysis.

In order to comply with the provisions of Italian Leg. Decree No. 231/2001, TASI has implemented the following activities:

- analysis of the areas of activity of each Company Department/Unit, by means of interviews carried out with all the managers of the Company's Departments/Units and business areas;

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<sup>20</sup> As well as the facilitator.

- identification and mapping of the areas 'at risk of offenses' being committed as well as any 'sensitive' and 'instrumental' activities relating to each Company Department/Unit;
- analysis of the risk profile, for each 'sensitive' activity, by identifying the offenses that could potentially be committed;
- analysis of the ways in which unlawful conduct was carried out;
- identification of the corporate processes of reference within which checks must be provided to prevent the identified risks.

A detailed analysis of each individual activity was then carried out, aimed at verifying specific contents, the concrete operating methods, the division of responsibilities, together with the existence of each of the offense hypotheses provided for by the Decree.

In the Special Section, the 'sensitive' and/or 'instrumental' processes<sup>21</sup> identified are listed for each corporate area/macro process.

It should also be noted that, as a result of the analyses carried out, certain offenses pursuant to Italian Leg. Decree No. 231/2001 were theoretically considered non-configurable in TASI, or for which the possible configuration in the interest or to the advantage of the Company was considered remote. This, in view of the nature or specificity of the conduct, even where offenses characterized by a broader range of conduct have been considered theoretically configurable, or of conducts which may be committed via actions or omissions outside the operational sphere of TASI. For such cases, appropriate rules of conduct have been, in any case, outlined in the Code of Ethics.

For an effective prevention activity, aimed at preventing the committing of offenses, which the Model is intended to prevent, specific internal control systems based on

- adherence to legislative provisions, internal rules, and principles of conduct;
- adequate record keeping and traceability of relevant operations (e.g. minutes, preliminary notes, resolutions on access to funding), so that each operation, transaction, or action may be verified;
- formalized separation of departments and joint signatures (e.g. a department requesting the purchase different from the department making the payment), to avoid a person having to manage an entire process single-handedly;
- clear definition of duties and responsibilities, with precise specification of expenditure approval thresholds;
- adherence to the Code of Ethics, rules of conduct and organizational procedures, drawn up by the Company in order to regulate every Company activity and to base these on transparent, ethical criteria;
- appropriate requirements of independence, autonomy, professionalism, and continuity of action of the Supervisory Board;

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<sup>21</sup> A process is defined as 'instrumental' where the activities it consists of are not directly 'exposed' to the likelihood of the offense being committed yet define the operating methods via which there is a possibility of committing one of the offenses provided for in the Decree.

- obligation of the individual Company departments to periodically submit relevant information to the Supervisory Board, in order to ensure a control system capable of promptly detecting the existence of general or particularly critical situations;
- obligation to document the checks carried out (possibly by drawing up minutes);
- application of penalties for breaches of the rules laid down in the Code of Ethics relating to the rules laid down in the Model.

With regard to health and safety at work, the Company pays painstaking attention to the following aspects:

- recruitment and qualification of personnel;
- organisation of work and workstations;
- procurement of goods and services as well as the communication of appropriate information to suppliers and contractors;
- ordinary and extraordinary maintenance;
- qualification and selection of suppliers and contractors;
- emergency management;
- procedures for dealing with deviations from set objectives and control system rules.

Occupational health and safety management includes a phase of verification of the maintenance of the risk prevention and protection measures adopted and assessed as suitable and effective. The technical, organizational, and procedural prevention and protection measures implemented by the Company are subject to planned monitoring, as required by the occupational health and safety management system adopted by the Company.

## **9. Training of Model recipients and its dissemination within the corporate context**

### **9.1. Staff training and dissemination within the corporate environment**

As part of the implementation of the Model, the Company provides proper training for its staff. Such training may take place in the form of:

- training sessions (either in the classroom or on-line);
- information notes;
- annual communications on any amendments made to the Model;
- appropriate information published on the company intranet website.

The training programs and the contents of the information notes shall be shared with the Supervisory Board.

The Company considers specific training on health and safety at work an essential component of the Model.

The performance of duties that may have a detrimental effect on health and safety at work requires appropriate skills, to be verified and enhanced through the provision of training and coaching aimed at ensuring that all members of staff, at all levels, are fully aware of the

importance of the compliance of their actions within the Organizational Model, as well as of the possible consequences of conduct that deviates from the rules laid down therein.

Each employee must receive sufficient, appropriate training with particular reference to his or her job and duties. This must take place upon recruitment, transferral or change of duties, or when new work equipment, technologies, substances, etc. are introduced.

The Company shall proceed with training according to the needs identified periodically.

## **9.2. Information provided to external collaborators**

Letters of appointment to external parties (e.g. agents, collaborators, suppliers of goods or services) shall be annexed with information notes on the application of the Model and compliance with the Code of Ethics.

Supply or collaboration contracts (agency, partnership, etc.) shall also include specific clauses explicitly referring to compliance with the provisions of the Code of Ethics and, in the event of a breach of such, shall provide for a warning to comply with the aforementioned provisions, or the application of penalties or, even, termination of the contractual relationship.

## **10. Penalty system**

### **10.1. Disciplinary system**

A qualifying point in the development of the Model referred to in Italian Leg. Decree No. 231/2001 is the provision of an adequate disciplinary system, which is suitable for sanctioning non-compliance with the measures indicated in the Model itself, in the Code of Ethics and in Company procedures.

The following offenses are subject to penalties being incurred:

- breaches of the Model committed by persons in a 'senior management' position, inasmuch as they hold offices of representation, administration, and management of the entity or of one of its organizational units with financial and functional autonomy, or they hold the power, even if only of a 'de facto' nature, of management or control of the entity;
- breaches of the Model committed by members of the control Bodies; both breaches committed by persons subject to the management or supervision of others, or acting in the name of and/or on behalf of the Company;
- breaches to Whistleblowing regulations, as further specified below.

Such breaches have a detrimental effect on the relationship of trust established with the entity and also constitute a breach of the employee's obligations of diligence and loyalty under Articles 2104 and 2105 of the Italian Civil Code.

Therefore, since the rules imposed by the Model and the Code of Ethics are adopted by the Company on its own initiative, regardless of the offense that any conduct may give rise to, the application of disciplinary penalties is carried out in disregard of the outcome of any criminal proceedings.

The new rules shall be subject to the procedural guarantees set out in Law No. 300/1970 ("Workers' Statute") and the specific provisions of the National Collective Bargaining Agreement (CCNL).

Failure to comply with the provisions contained in Italian Leg. Decree No. 231/2001 as well as the implementation measures defined in both the Model and the Code of Ethics, together with the provisions on Whistleblowing, also constitutes valid grounds for the termination of the contractual relationship with respect to collaborators not legally bound by an employment contract, in respect of whom the general remedies under civil law shall be applied.

The type and extent of the penalty shall be determined in relation to:

- the intentionality of the conduct or degree of negligence, recklessness, or inexperience, also with regard to the foreseeability of the event;
- the overall conduct of the person committing the disciplinary offense, with particular regard to the existence or non-existence of any previous disciplinary record of that person, to the extent permitted by law;
- to the duties of the person committing the disciplinary offense;
- the functional role of the persons involved in the facts constituting the fault;
- the other particular circumstances accompanying the disciplinary breach.

If the Supervisory Board detects any breaches, it reports them to the Human Resources Department in order for the necessary preliminary disciplinary actions to be taken.

The Supervisory Board must be informed of the outcome of any disciplinary proceedings undertaken.

## **10.2. Breaches of Whistleblowing regulations**

Without prejudice to any other grounds for liability, breaches of the Whistleblowing Regulations and Guidelines represent a disciplinary offense and entail the initiation of the relevant proceedings and the consequent establishment of disciplinary penalties, which are proportional to the type/gravity of the offense committed, in accordance with the applicable legislation, collective bargaining agreements as well as the Company's internal rules and regulations.

Therefore, the disciplinary penalties of the Model, set out in the following paragraphs, are also applied against those who are responsible for unlawful conduct within the context of Whistleblowing<sup>22</sup> and, more specifically, in the following cases:

- when retaliation has been established, the report was either hindered or an attempt has been made to hinder it, or the obligation of confidentiality laid down in the legislation has been breached;
- when it has been ascertained that reporting channels have not been established, procedures for making and handling reports have not been adopted, or that the adoption of such procedures does not comply with the Whistleblowing Regulations, as well as when it has been established that the activities of report verification and analysis has not been carried out;
- when the Whistleblower's criminal liability for the offenses of defamation or slander, or, in any case, for the same offenses committed with the report to the judicial or auditing authorities, or his/her civil liability, for the same reason, in cases of wilful misconduct or gross negligence, has been established, even by a first-degree judgement.

### **10.3. Disciplinary penalties for employees**

Conduct by workers in breach of the individual rules of conduct set out in the Model and the Code of Ethics are defined as 'disciplinary offenses'.

The penalties that may be imposed on workers are those provided for, in compliance with the procedures and limits set out in Art. 7 of Law No. 300 dated 30<sup>th</sup> May 1970 (Workers' Statute), by the National Collective Bargaining Agreement ('CCNL') for the Metalworking and Mechanical Engineering sector.

The individual cases taken into consideration and the penalties concretely provided for in relation to the committing of the offenses themselves take on significance depending on the seriousness of said offense.

In theory, penalties that may be applied include:

#### *1) VERBAL WARNING*

A worker who violates one of the internal procedures and/or the principles laid down in the Model and/or the Code of Ethics by adopting, in the performance of activities in 'sensitive' areas, a conduct that does not comply with the prescriptions deriving from the aforementioned documents, shall receive a verbal warning. In fact, in case of such conduct, the non-compliance with the provisions brought to the Company's attention by service orders or any other suitable means must be established.

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<sup>22</sup> For the same violations (except in the case of conviction in criminal proceedings for the offenses of defamation or slander, even if committed by reporting to the Authority), it is also provided that ANAC shall apply administrative pecuniary penalties to the person responsible, pursuant to Art.21 of the Whistleblowing Regulations.

2) *WRITTEN WARNING*

A worker who repeatedly violates the internal procedures and/or the principles laid down in the Model and/or in the Code of Ethics by adopting, in the performance of activities in areas at risk, a conduct that does not comply with the prescriptions deriving from the aforesaid documents, shall receive a written warning. Such conduct shall be construed as a repeated non-compliance with the provisions brought to the Company's attention by service orders or other suitable means.

3) *FINE (UP TO A MAXIMUM OF 3 HOURS' PAY)*

Any worker who violates one of the internal procedures and/or the principles laid down in the Model and/or in the Code of Ethics by adopting, in the performance of activities in 'sensitive' areas, conduct that does not comply with the prescriptions specified in the aforementioned documents, exposes the Company to a situation of risk of committing one of the offenses provided for by Italian Leg. Decree No. 231/2001 shall incur a fine amounting to a maximum of 3 hours' pay.

4) *SUSPENSION FROM WORK AND PAY UP TO A MAXIMUM OF 3 DAYS*

A worker shall be suspended from work and pay for up to 3 days if he or she violates internal procedures and/or the principles laid down in the Model and/or in the Code of Ethics, adopts, in the performance of activities in areas at risk, conduct that does not comply with the prescriptions specified in the aforesaid documents, and performs acts contrary to the interests of the Company, causing damage to the same and exposing it to an objective situation of risk to the integrity of the Company's assets.

In fact, such conduct must be recognized as causing damage or a situation of risk to the integrity of the Company's assets, or the performance of acts contrary to its interests, also resulting from non-compliance with the provisions brought to the Company's attention by service orders or other suitable means.

5) *DISMISSAL WITH NOTICE*

Any worker who adopts a conduct that does not comply with the provisions of the Model and/or the Code of Ethics, and which is unambiguously aimed at committing an offense, in the performance of activities in areas at risk, shall incur dismissal with notice. In fact, such conduct must be seen as causing substantial damage or a situation of substantial detriment.

6) *DISMISSAL WITHOUT NOTICE*

Any worker who adopts, in the performance of activities in areas at risk, conduct in serious breach of the provisions of the Model and/or of the Code of Ethics that represents an offense such as to radically undermine the Company's trust in the worker shall be dismissed without notice.

#### **10.4. Disciplinary measures taken against Senior Managers**

In the event of a breach, committed by senior managers, of the principles indicated in the Model and/or in the Code of Ethics, or by adopting conduct that does not comply with the prescriptions stated in the aforementioned documents when performing activities in areas at risk, the most appropriate measures shall be taken against those responsible, in accordance with the provisions of the National Collective Bargaining Agreement for Senior Management.

Moreover, in accordance with the provisions of the National Collective Bargaining Agreement for Industrial Senior Management, for all matters that "have not otherwise been regulated by this contract, the collective contractual and legislative provisions in force for the highest category of company employee to which the member of senior management belongs shall apply, insofar as they are compatible with the figure of a senior manager". The Company's corporate boards must be informed of the violations committed so that they may take the necessary decisions.

Other protective measures shall be taken in the event of non-compliance with the requirements of the Model.

#### **10.5. Disciplinary measures taken against Directors**

Those who hold senior management offices within the Company they have a duty to steering their business ethics and to base their activities on compliance with the principles of lawfulness, transparency, and fairness. In the event of any breach of the Model, the Code of Ethics or the prescriptions stated in the aforesaid documents, committed by the Directors, the Supervisory Board is required to inform both the entire Board of Directors and Board of Statutory Auditors as soon as possible, that shall take all appropriate steps permitted by law, including applying the following penalties:

- A written warning;
- A warning to promptly comply with Model provisions;
- A fine;
- The revocation of any powers of attorney.

In the event that a breach deemed to be so serious as to jeopardize the relationship of trust established between the individual party and the Company, the Board of Directors shall convene the Shareholders' Meeting in order to propose the relevant removal from office.

#### **10.6. Disciplinary measures taken against Statutory Auditors**

In the event of a breach committed by the Statutory Auditors of the Model, the Code of Ethics, or the prescriptions specified in the aforementioned documents, the Supervisory Board is required to inform both the entire Board of Directors and the Board of Statutory Auditors as soon as possible, who have the right to take any appropriate action permitted by law.



In the event of a breach deemed to be so serious as to be considered as a just cause for removal from office, the Board of Directors shall convene the Shareholders' Meeting in order to propose the appropriate measures to be taken.

#### **10.7. Disciplinary measures taken against external collaborators**

Conduct by self-employed workers (occasional collaborators, consultants, etc.) that conflicts with the lines of conduct specified in the Model and/or the Code of Ethics, shall result in the application of contractual clauses (penalties and/or termination of contract), as well as the general legal provisions on non-performance and just cause for withdrawal.