



## **ETHICAL AND DISCIPLINARY CODE**

### **Preamble**

This Ethical and Disciplinary Code ('Code') is part of the Corporate Social Responsibility ('CSR') Policy of ICTS Italia ('Company'). For ICTS Italia, CSR means ensuring constant attention not only to the profitability of the company, but also to the effects of the company's activities on the environment and their impact on the people in and around the company. In practice, this results in a commitment to minimize the impact of our activities on the environment and to maximize our contribution to the well-being of society. This commitment stems from our awareness that we as a company have a responsibility to future generations.

The Code is also part of the Organizational, Management and Control Model ('Organizational Model') adopted by the Company pursuant to Legislative Decree No. 231/2001 ('Decree') and is one of the protocols aimed at preventing the commission of the offenses set forth in that Decree.

The Code is also part of the management systems adopted by the Company in accordance with the main international reference standards, with respect to which the Company has acquired the relevant certifications, including the UNI ISO 45001:2018 standard concerning the management system in the field of occupational health and safety.

Through the adoption of this Code, the Company intends to dictate the rules of conduct in relations with external stakeholders, employees, contractors, rules to which the Company informs its internal and external activities, requiring compliance with them by all employees, consultants and all those who, in any capacity, represent it to third parties and requesting, to the extent within its power, adherence to them from external stakeholders. It also intends to organize and manage the Company itself, aiming its activities at the creation of an efficient and effective system of planning, execution and control of activities, such as to ensure constant compliance with the rules of conduct and to prevent their violation by any person operating in the Company and for the Company.

### **Art. 1 – Recipients**

The Code is binding on, and as such must be adhered to by, all persons acting in the name of and/or on behalf of the Company ('Recipients'), including but not limited to:

- a) members of the administrative body;
- b) the employed personnel;



- c) all other parties who, although external to the Company, act in the name of and/or on behalf of the Company (e.g., suppliers, contractors, representatives, consultants, external professionals, partners; hereafter, collectively referred to as 'Third Party Recipients').

Compliance with the Code is to be considered an integral part of the contractual obligations assumed by employees under the provisions of Article 2104 of the Civil Code. Violation of the rules of the Code may, therefore, constitute a serious breach of the obligations arising from the employment contract and a source of tort, with any consequent personal liability, without prejudice, for employees, to compliance with the procedures set forth in Article 7 of Law 300/1970 (Workers' Statute) and collective bargaining agreements.

Similarly, the Company reserves the right to protect its interests in any competent forum against Third Party Recipients who have violated the rules of the Code intended for them and which have been the subject of a contractual agreement with the Company.

In case of difficulties in the application or interpretation of one or more rules of the Code, Recipients may consult the Company's Supervisory Board ('SB').

## **Art. 2 - Dissemination of the Code**

The Code must be given the necessary publicity, with suitable methods to allow its knowledge and use by all Recipients, including Third Party Recipients, including for example, posting at each site where the Company operates and publication on the ICTS Italia website.

In order to ensure maximum dissemination of the Code, without prejudice to the provisions of the preceding paragraph and in addition to this form of publicity, a copy of the Code will be issued to all employees.

### **Rules of conduct**

#### **Section I**

#### **General Principles**

## **Art. 3 – Impartiality**

In decisions affecting relations with its stakeholders (by way of example, the choice of customers, personnel management, work organization, selection and management of suppliers and partners) ICTS Italia avoids all forms of discrimination.

ICTS Italia acknowledges fair treatment and remuneration to all according to the nature of the work performed and the commitment given to it. Forms of discrimination based on race, caste, national or



social origin, gender, marital status, age, physical or health conditions, sexual orientation, union membership, religious and political beliefs or any other personal characteristic or situation shall not be applied, in accordance with ILO Conventions 100 and 111.

#### **Art. 4 – Honesty**

Within the scope of their activities, ICTS Italia contractors and employees are required to diligently comply with applicable laws, the Code of Ethics and internal regulations. Under no circumstances may the pursuit of the Company's interest justify dishonest conduct.

#### **Art. 5 – Fairness in case of potential conflicts of interest**

In the conduct of any activity, situations must be avoided where those involved are or may appear to be in a conflict of interest, by which is meant both the case of a collaborator pursuing an interest other than the mission of the company and the balancing of stakeholders' interests or taking "personal" advantage of business opportunities of the company, and the case where representatives of customers and suppliers, or of Public Institutions, act contrary to the fiduciary duties associated with their position, in their dealings with the Company.

#### **Art. 6 – Confidentiality**

ICTS ensures the confidentiality of the information in its possession and refrains from seeking confidential data, except in cases of express and conscious authorization and in accordance with the legal regulations in force. In addition, contractors and/or employees are required not to use confidential information for purposes unrelated to the conduct of their business.

#### **Art. 7 – Personal integrity**

ICTS Italia complies with all national laws and regulations on labor and working conditions, including those listed in ILO Convention 155, also ensuring compliance with all relevant collective agreements on the subject.

ICTS Italia guarantees the physical and moral integrity of its associates and employees, working conditions respectful of individual dignity, rules of behavior, good manners, and safe and healthy working environments. It also ensures that no episodes of intimidation, mobbing or stalking occur in the work environment. Requests or threats aimed at inducing people to act in violation of the law or the Code of Ethics or to engage in behavior detrimental to each person's moral and personal beliefs and preferences are not tolerated.



#### **Art. 8 – Information transparency and completeness**

The associates and/or employees of ICTS Italia are obliged to give complete, transparent, comprehensible and accurate information, so that, in setting up relations with the Company, the stakeholders are able to make autonomous decisions aware of the interests involved, the alternatives and the relevant consequences. In particular, in the formulation of any contracts, ICTS Italia takes care to specify to the contractor the conduct to be adopted in all the circumstances in a clear and comprehensible manner.

#### **Art. 9 – Diligence and accuracy in the execution of tasks and contracts**

Contracts and work assignments must be performed as mutually agreed between the Parties. ICTS Italia agrees not to exploit conditions of incapacity or lack of knowledge of the counterparts.

#### **Art. 10 – Quality of services**

ICTS Italia directs its activities to the satisfaction and protection of its customers, listening to requests that can promote an improvement in the quality of services. For this reason, the company directs its development and marketing activities to high quality standards of its services.

#### **Art. 11 – Use of company assets**

Each collaborator or employee is required to perform his or her duties with diligence in order to protect the company's assets, through responsible behavior and in line with the operating procedures prepared to regulate their use.

In particular, by way of example only, he shall:

- Use the assets assigned to him scrupulously;
- Avoid improper use of company assets.

#### **Art. 12 - Gifts, giveaways and benefits**

The Company condemns, without exception, any corrupt behavior or practice aimed at acquiring or granting undue advantages or benefits.

To this end, it is absolutely prohibited for the Recipients to give, convey or promise, even indirectly through third parties acting in their name and/or on their behalf, undue money or any other utility (by way of example, goods, services, benefits, gifts, favors, even in terms of employment opportunities) in relation to relations maintained with public officials and/or public service appointees - or their spouses or relatives, whether Italian or from other countries - in order to influence their decisions,



with a view to more favorable treatment or undue benefits or for any other purpose. **In any case, if Recipients receive undue pressure or requests for undue money or other benefits from public officials and/or public service appointees, they are required to promptly notify the Supervisory Board.**

The only exception to the aforementioned prohibition concerns gifts, benefits and acts of courtesy of modest value - meaning those with a value of less than 150.00 euros - which, as such, do not impair the integrity and autonomy of judgment of the parties and cannot be interpreted as a means of obtaining improper advantages. If these prerequisites are met, it is still necessary to ensure the documentary traceability of the initiative.

The request or acceptance of undue money or other benefits from Company resources is also prohibited. Anyone who receives proposals of gifts or favorable treatment or hospitality that cannot be configured as acts of commercial courtesy of modest value, or the request for them from third parties, must reject them and immediately inform their superior and the SB. Even in this case, only the acceptance of gifts of modest value - meaning those with a value of less than 150.00 euros - that, as such, do not impair the integrity and autonomy of judgment of the parties and cannot be interpreted as a means of obtaining improper advantages is permitted.

#### **Art.13 – Careful management of waste, emissions and raw materials**

In addition to complying with current environmental laws and regulations, ICTS Italy has introduced measures to ensure the safe handling, transportation, storage, use and disposal of waste. ICTS Italy adopts policies to contain emissions, noise pollution, use of natural resources and use of hazardous substances.

### **Section II**

#### **External Relationships**

#### **Art. 14– Relationships with the Public Administration**

It is necessary to pay special attention to the need to ensure maximum transparency and fairness in relations with members of the Public Administration, meaning that this category also includes public officials and public service officers.

In the context of relations with members of the Public Administration, it is expressly forbidden:



- a) try to improperly influence the decisions of the Public Administration or control them by violence, threat or deception;
- b) proposing or promising, to Public Administration employees or their relatives or kin, employment and/or business opportunities from which advantages may be derived, for themselves or for third parties;
- c) solicit or obtain confidential information that could compromise the integrity or reputation of either party;
- d) to be represented by a third party if conflicts of interest may arise;
- e) employ former employees of the Public Administration, third countries or European Institutions in the two years following the termination of their employment;
- f) making, inducing or encouraging false statements to the Public Administration or otherwise before the Judicial Authority.

In the context of audits, inspections or controls by the Public Authority, it is necessary to ensure the necessary cooperation, maximum transparency as well as compliance with the procedures and/or policies adopted by the Company.

In any case, it is necessary to ensure the completeness, consistency and truthfulness of all documents and information provided to the Public Administration, with particular regard to those aimed at obtaining payments for works or activities performed or otherwise authorizations, concessions, licenses, etc. related to the Company's activities.

### **Art. 15 – Competition**

The Company believes in free and fair competition aimed at obtaining competitive results that reward professional ability, experience and efficiency.

The Company and its employees must behave loyally and fairly in the affairs of the Company's interest.

Any action aimed at altering the conditions of fair competition and loyalty is contrary to Company policy and is prohibited for any person who collaborates with, depends on, or represents the Company.

Under no circumstances may the pursuit of the Company's interest justify conduct that does not comply with applicable regulations and conform to the rules of this Code.

The Company undertakes to refrain from collusive, excessive behavior or abuse of dominant positions.



#### **Art. 16 – Relationships with external stakeholders**

The Company's relations with any interlocutor, public or private, must be conducted in accordance with the law and in compliance with the principles of fairness, transparency and verifiability.

#### **Art. 17 – Customer and client relations**

The Company imprints its activities on the criteria of quality.

In relations with customers and clients, the Company ensures fairness and clarity in business negotiations and in the stipulation of contractual obligations, as well as contractual fulfillment according to diligence and good faith, pursuant to Articles 1175 and 1176 of the Civil Code.

In participating in tenders, the Company carefully evaluates the appropriateness and executability of the services requested, with particular regard to technical and economic conditions.

The Company resorts to litigation only when its legitimate claims do not find due satisfaction in the interlocutor.

#### **Art. 18 – Supplier relations**

This Code of Conduct is part of ICTS Italy's Corporate Social Responsibility (CSR) Policy.

One aspect of our CSR policy is supply chain responsibility. This implies that we not only take responsibility for the social and environmental impact of our activities, but that we critically analyze the impact of our business partners' activities. This analysis is intended to ensure that ICTS Italia does not promote or become involved in activities that do not meet certain criteria of social and ethical conduct, regardless of where those activities take place.

Our suppliers can contribute to the achievement of this goal. By "our suppliers" we mean all companies or persons who provide products or services to ICTS Italia in all sectors. While recognizing the autonomy of each supplier, we expect that in order to do business with ICTS Italia, all of our suppliers will accept the ethical standards and adhere to them.

Relations with the Company's suppliers, including financial and consulting contracts, are governed by the rules of this Code and are subject to constant and careful monitoring by the Company.

The supplier shall refrain from any active and passive corrupt practices, including payment or acceptance of payment in order to influence decision-making and achieve or maintain advantages.

It is required that the supplier exhibit ethical behavior in business dealings and comply with all laws and regulations regarding the protection, use, publication and transparency of business, personal or confidential information.

The Company employs suppliers or subcontractors who operate in accordance with applicable regulations and the rules set forth in this Code.



## **Section III**

### **Relationships with employees**

#### **Art. 19 – Employees**

The Company recognizes the centrality of human resources as the main success factor in achieving the company's goals, within a framework of mutual loyalty and trust between employer and employees.

All personnel are hired by the Company under regular employment contracts. The employment relationship is carried out in accordance with the industry's collective bargaining regulations and social security, tax and insurance regulations.

The Company encourages the continuous improvement of the professionalism of its employees, including through the conduct of training initiatives.

The Company guarantees the physical and moral integrity of its employees, working conditions that respect individual dignity, and safe and healthy working environments, in full compliance with current legislation on the prevention of accidents at work and worker protection.

#### **Art. 20 – Forced labor, human trafficking and slavery**

The Company does not use any form of forced labor, such as slavery, imprisonment, or forced labor. ICTS Italia does not allow business relationships with companies that practice forms of labor trafficking or otherwise exploit workers through threats, acts of force or coercion.

Employment must be voluntary and workers must be free to terminate employment upon prior notice required by the provisions of the National Collective Bargaining Agreement.

Workers must not be required to pay any sum of money for recruitment or hiring.

The Company agrees to present workers with clear and understandable documentation defining the terms, conditions and terms of their employment.

#### **Art. 21 – Child labour**

ICTS Italia does not recourse to the employment of child labor. It obligates itself, by that means, to employ only workers who have reached the age of 18 years. ICTS Italia is committed to complying with all national laws and regulations (mentioned above) regarding child labor, including ILO Conventions 138 and 182. ICTS also has introduced organizational measures to proactively remedy any child labor situations and provide adequate protection for the minors involved.





### **Art. 22 – Salaries and extras**

Remuneration for work must comply with the minimum level set by national legal standards, industry standards, and the standards of the more stringent ILO conventions (including more specifically Conventions 26 and 131) on the level of wages and other remuneration.

In addition, wages must guarantee the worker's right to meet his or her basic needs and to a discretionary margin of income.

ICTS Italia pays its workers in a timely manner and guarantees a salary level (including payment of overtime and extras) in full compliance with applicable laws and the relevant CCNL.

No wage deductions are allowed as a disciplinary measure, other than those provided for by the applicable law and the reference contract.

### **Art. 23 – Freedom of Association**

The Company is bound, like its supplier and customer partners, to respect workers' rights. Workers must not be penalized or subjected to harassment or intimidation because of the nonviolent exercise of their right to join or not to join legally recognized trade unions or labor organizations.

ICTS Italy recognizes the right of workers to organize in order to promote their interests, in accordance with ILO Conventions 87 and 98.

### **Art. 24 – Workplace safety**

With regard to occupational health and safety, decisions of all types and at all levels are made and implemented based on the following fundamental principles and criteria:

- avoid risks;
- Assess risks that cannot be avoided;
- Address risks at the source;
- Adapt work to personnel, particularly with regard to the design of workplaces and the choice of work equipment and working and production methods, especially to mitigate monotonous and repetitive work and to reduce the effects of such work on health;
- Take into account the degree to which the technique has evolved;
- Replace what is dangerous with what is not dangerous or is less dangerous;



- planning prevention, aiming for a coherent whole that integrates in it technique, work organization, working conditions, social relations and the influence of factors in the work environment;
- Give collective protective measures priority over individual protective measures;
- Issue appropriate instructions to workers.

These principles are used by the Company to take the necessary measures to protect the safety and health of workers, including risk prevention, information and training activities, and the provision of necessary organization and means.

It is, moreover, necessary for Recipients to pay attention to their own and other people's health and safety in the workplace and to contribute, within the limits of their duties and responsibilities, to the fulfillment of the obligations provided for the protection of health and safety in the workplace, having to, in particular:

- Ensure compliance with the provisions and instructions given by the Employer and supervisors for the purpose of collective and individual safety;
- Use the protective equipment made available according to the instructions given by the Employer;
- Appropriately use work equipment and, in general, PPE Personal Protective Equipment;
- Provide for the timely reporting, to the competent persons according to internal procedures, of any malfunctions or inconveniences of the adopted means of protection and PPE, as well as of any dangerous conditions of which they become aware;
- participate in the education and training programs organized by the Employer;
- undergo health checks provided for by the regulations in force or in any case arranged by the competent doctor.

#### **Art. 25 – Working conditions**

ICTS Italia operates under the Universal Declaration of Human Rights adopted by the United Nations (UN UDHR) and the Fundamental Human Rights and Workers' Rights established by the International Labor Organization (ILO)

### Section III

#### Compliance Monitoring and implementation of the Code.

##### **Art. 26 – The role of the Supervisory Board**

The task of supervising the appropriateness and the compliance of the Code, as well as the Organizational Model, falls to the Supervisory Board.

**All Recipients are obliged to cooperate with the SB** in the course of the verification and supervisory activities carried out by the latter, providing the information, data and news requested.

The Recipients may, in addition, contact the SB for any clarification or explanation concerning the understanding or application of the Organizational Model and the Code, including the legitimacy of a given behavior or decision.

##### ***a) Reporting obligations to the Supervisory Board.***

All Recipients are expected to cooperate fully with the SB by promptly transmitting requested information and documents and providing any further assistance.

In addition, where information has been learned by reason of the functions performed, all Recipients are required to forward substantiated reports to the SB regarding:

- a) the occurrence, even if only attempted, of crimes relevant under the Decree, seeking as far as possible to provide information based on precise and concordant factual elements;**
- b) any violations of the Organizational Model and/or its constituting protocols, including this Code.**

**Information, facts and data specifically indicated within the Company's Organizational Model must also be communicated to the SB.**

Recipients may send information, data, documents and reports, including anonymously regarding possible violations of the Organizational Model, in one of the following ways:

- a) in writing by e-mail to [odv@ictsitalia.com](mailto:odv@ictsitalia.com);
- b) in writing to the following address: Supervisory Board, c/o ICTS Italia S.r.l., Via di Tor Vergata n. 432-434, 00133 Rome.



In any case, the Company ensures that the person making the communication/report, if identified or identifiable, is not subject to retaliation, discrimination or, in any manner, to penalization, either directly or indirectly for reasons related to the report, ensuring, therefore, its confidentiality (except for the occurrence of any legal obligations that impose otherwise), it being understood that any detected abuse of the reports - meaning the sending with malice or gross negligence of reports that turn out to be unfounded - will constitute a violation of the ethical duty of probity and fairness and, as such, will be sanctioned in accordance with the Disciplinary System.

## IV

### **Disciplinary System**

#### **Art. 27 – Function of Disciplinary System**

In cases of violation of the Company's Organizational Model, the Disciplinary System outlined in this section will apply.

The Disciplinary System applies to all Recipients and aims to sanction violations of the Organizational Model and related protocols, including the Code of Ethics. However, the Recipients are entitled to exercise the rights granted to them by law or collective bargaining, which will apply to everything not provided for herein. The possible application of sanctions is without prejudice to the right of the Company to take action, against the person responsible for the violation, for compensation for damages suffered.

The sanctions indicated below will be applied regardless of the course and outcome of the criminal proceedings, which may be initiated by the judicial authorities in the event that the conduct to be censured also integrates a type of crime relevant under the Decree.

Having an internal nature within the Company, the Disciplinary System does not replace but supplements the laws or regulations in force, which will nonetheless apply for everything not provided for in the following paragraphs.

It is recognized that the person concerned has the right to receive a written reprimand, except for the case of a verbal reprimand to the employee, as well as to present his or her own defense before the possible imposition of the sanction. The commissioning of the measure must always be justified and communicated in writing. The sanction procedure will be articulated in accordance with the terms and conditions provided for in any applicable collective bargaining agreement.

## **Art. 28 – Criteria for application of sanctions**

Specific sanctions are applied in individual cases according to the general criteria below and in proportion to the severity of the misconduct.

Factors relevant to the determination of the penalty are:

- the subjective element (willful misconduct or negligence);
- the relevance of the obligations violated;
- the extent of the damage caused to the Company also as a result of the possible application of the sanctions;
- the level of hierarchical and/or technical responsibility of the responsible party;
- the presence of aggravating or mitigating circumstances with particular regard to previous work performance;
- the possible sharing of responsibility with other individuals who have participated in the violation.

Where more than one offense has been committed by a single act, the most serious sanction shall be applied. Where deemed appropriate due to the particular minor nature of the conduct or otherwise specific factors, to be justified in any case in writing, an alternative measure (e.g., the obligation to attend specific training courses, etc.) may be arranged in lieu of the disciplinary sanction.

## **Art. 29 - Violations that can be sanctioned**

The following violations are punishable under the Disciplinary System:

- a) violation of measures aimed at ensuring the proper performance of the activity and/or the timely detection and elimination of risk situations relevant under the Decree;
- b) failure, incomplete or untrue representation of the activity carried out;
- c) violation and/or circumvention of the control system, implemented through the removal, destruction or alteration of documentation or by preventing or attempting to prevent the control or access to information and documentation to the persons in charge, including the Supervisory Board;
- d) violation and/or circumvention of company procedures;

- e) non-compliance with the requirements contained in this Code;
- f) non-compliance with the provisions on signature powers and the system of delegation of authority;
- g) falsification of statements or documents with regard to relations with the Public Administration;
- h) failure to supervise the behavior of personnel operating within one' s sphere of responsibility;
- i) violation of the protective measures prepared in favor of those who transmit reports;
- j) making, with malice or gross negligence, reports that turn out to be unfounded.

With specific regard to the area of occupational health and safety, the following conduct is punishable:

- 1) The occasional and inaccurate execution of workplace health and safety provisions;
- 2) cases of recklessness, superficiality or carelessness in the execution of workplace health and safety provisions, provided that such behavior does not have the potential to result in concrete exposure to personal or third-party risk;
- 3) cases of negligence in the entrusted work (e.g., for failure to comply with occupational health and safety regulations and provisions);
- 4) cases of gross negligence in the entrusted work (e.g., for failure to comply with the regulations and provisions on health and safety in the workplace), so as to result in a situation of concrete danger to the physical integrity of one or more persons, including the violator, or the risk of sanctions and liability for the Company, and provided that the conditions for the application of more serious sanctions are not met;
- 5) cases of violation of workplace safety regulations or provisions that resulted in injury to the physical integrity of one or more persons, including the violator;
- 6) cases of violation of workplace safety regulations or provisions that resulted in an injury qualifying as "serious" or "very serious" under Article 583 of the Criminal Code to the physical integrity of one or more persons, including the perpetrator, or the death of one or more persons.

### **Art. 30 – Measures for the employees**

The following sanctions will be applied against non-management employees who commit the violations referred to in Article 29 above:

- 1. Verbal reprimand;

2. Written reprimand;
3. Fine to the extent provided for in the applicable collective bargaining agreement;
4. Suspension from service and pay to the extent provided for in the applicable collective bargaining agreement;
5. Dismissal with and without notice.

If the employee has committed one of the violations referred to in this point 5), the Company may order the non-disciplinary precautionary suspension of the employee with immediate effect, for a time frame necessary for the raising of charges and the completion of the disciplinary procedure. Where the recipient of the violation holds a power of attorney with the power to represent the Company externally, the application of the more serious sanction of a fine will also result in the automatic revocation of the power of attorney.

It will not be possible to impose any sanction on the employee without first contesting the charge and hearing the employee's defence.

The charge, except for verbal reprimand, must be made in writing and disciplinary measures may not be imposed before the time limits provided for in the applicable collective bargaining agreement have elapsed, during which the employee may present his or her defense. The employee's defense may also be made verbally, including with the assistance of a representative of the trade union association to which he or she belongs. The imposition of the measure must be justified and communicated in writing. Measures, with the exception of dismissal, may be appealed by the employee, in the union, in accordance with the contractual rules on disputes.

#### **Art. 31 – Measures for managers**

In respect of employees with managerial status who commit any of the violations provided for in Article 29 above, the sanctions provided for in the applicable collective bargaining agreement shall apply.

#### **Art. 32 – Measures for apical individuals**

In the event that an apical person commits a disciplinary offence such as, for example, a violation of the provisions of the Organizational Model and/or the Code of Ethics with particular reference to the decision-making of the Company, a violation in the exercise of the system of proxies and powers of attorney and/or a violation of the measures relating to the management of financial resources, the

Board of Directors must be promptly informed and will take the most appropriate measures, depending on the seriousness of the violation, including the avocation to itself of operations falling within the individual person's proxies and/or the revocation of the proxies themselves.

In the event that the apical subject holds the position of manager, in the event of a violation carried out in the capacity of an apical subject, the sanctions indicated herein will be applied to him/her, without prejudice in any case to the applicability of the various disciplinary actions that may be exercised on the basis of the subordinate employment relationship existing with the Company and in compliance with the legal procedures, insofar as applicable.

In the hypothesis that the violation of the prescriptions of the Organizational Model is carried out by the apical subject within the scope of the managerial duties performed, the possible application of the expulsion sanction will result in the revocation of the proxies and the termination of the office.

#### **Art. 33 – Measures for members of supervisory bodies**

In the event of a disciplinary offense committed by a member of the supervisory bodies, including the Supervisory Board, the Board of Directors shall be promptly informed, and the Board of Directors shall either reprimand such a member in writing or revoke the member depending on the seriousness of the offense committed.

#### **Art. 34 – Measures for Third Party Recipients**

The commission of any of the violations provided for in Article 29 above by Third Recipients may be sanctioned with one of the following sanctions:

1. warning to timely compliance with the Organizational Model;
2. application of a conventional penalty of up to 30% of the contractually agreed consideration in favor of the Third Recipient or matured by the latter on an annual basis;
3. termination of the contractual relationship, always without prejudice to compensation for damages suffered by the Company.

The Company shall endeavor to ensure that the above sanctions are covered, in whole or in part, in the negotiated agreements with Third Recipients.