



# **Organizational, Management and Control Model pursuant to Legislative Decree No. 231 of June 2001**

Approved by the Board of Directors of TELESPAZIO  
S.p.A. in its meeting held on 24/05/2021  
(twelfth edition)

*“The English text is a translation from Italian.  
For any conflict or discrepancies between the two texts the Italian shall prevail.*



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## **GENERAL PART**

### **1. ORGANIZATIONAL, MANAGEMENT AND CONTROL MODEL OF TELESPAZIO S.P.A.**

#### 1.1 INTRODUCTION

Telespazio S.p.A. (hereinafter "Telespazio", "TPZ" or "Company") is a public company subject to joint management and coordination of Leonardo S.p.A. and Thales S.A. The Company is one of the European leaders and one of the world's leading operators in the field of satellite solutions and services. It is active in the areas of design, implementation and management of space systems, television and satellite telecommunications services, development of services and multimedia solutions, products, applications and services for environmental monitoring and spatial planning for scientific research.

Furthermore, through the recent acquisition of the business unit "Spazio" of Vitrociset S.p.A., Telespazio has further expanded its business in strategic sectors such as space operations in the ground segment in support of space launches.

Telespazio operates worldwide through a Group of companies controlled by it and has an extensive international network of space and teleport centres.

TPZ has adopted – and updated over time - the Organizational, Management and Control Model (hereinafter "Model"), pursuant to the provisions of Legislative Decree no. 231 of 2001 (hereinafter the "Decree" or "Legislative Decree no. 231/01") and based on the Guidelines issued by Confindustria, in order to ensure that anyone operating on behalf or in the interest of the Company always behaves in compliance with law and consistent with the principles of fairness and transparency in the conduct of business and corporate activities.

The Decree establishes a regime of administrative liability of companies and associations. Precisely, it is a specific form of liability, nominally administrative, but substantially afflictive-criminal, borne by companies, associations and institutions in general (hereinafter referred to as "entities"), for specific offences (for full listing of offences see Annex 1) committed or attempted in the interest or to the advantage of the same by:



- individuals who hold a representative, administrative or managerial position in the Entity itself or in one of its organizational units, with financial and functional autonomy, as well as individuals who carry out, *de facto*, the management and control of the Entity in question (so-called "apical");
- individuals subordinate to the direction or to the supervision of one of the subjects referred to above (so-called "Subordinates").

The responsibility of the entities shall be independent of that of the subject who carried out the act in the interest or to the advantage of that entity.

There is, however, a form of liability exemption. Specifically, Article 6 of the Decree states that, in the case of an offence committed by an apical subject, the entity shall not be liable if it can prove that:

- the Board of Directors has adopted and effectively implemented, prior to the commission of the fact, an "organisational and management Model" capable of preventing crimes of the type that has occurred; For this purpose, the Model shall meet the following requirements:
  - *"identify activities in which criminal offences may be committed"*;
  - *"provide for specific protocols pursuant to which the Entity's decisions regarding the prevention of crime must be programmed and implemented"*;
  - *"implement suitable financial resources management procedures for the prevention of the offences"*;
  - *"establish reporting requirements to the body responsible for supervising the operation of and in compliance with the Models"*;
  - *"introduce a disciplinary system suitable to penalize the failure to comply with the measures indicated in Model"*;
- the task of supervising the functioning and observance of the Models and ensuring their updating has been assigned to an internal control body of the Entity with independent powers of initiative and control (hereinafter Surveillance Body);
- individuals have committed the crime fraudulently avoiding the organisational and management Models;



- there was no omission or insufficient vigilance on the part of the Surveillance Body.

In the same way, the art. 7 of the Decree configures the administrative responsibility of the entities for the crimes committed by the subordinates, if their commission was made possible by the failure to comply with the direction or supervisory duties. In any case, failure to comply with these direction or supervisory obligations shall be ruled out where the entity has demonstrated that it has adopted and effectively implemented, before the offence was committed, a Model capable of preventing offences of the type that have occurred.

The penalties provided by Legislative Decree no. 231/01 against the entities following the commission or attempted commission of the crimes involving the administrative responsibility of the same, are ascribable to the following categories:

- pecuniary sanctions;
- disqualification sanctions;
- confiscation;
- publication of the judgment.

For more information on the Decree, please refer to Annex 1 of the Model.

#### 1.2 RECIPIENTS OF TELESPAZIO'S MODEL

The Recipients of this Model (hereinafter the "Recipients") who are, as such, under an obligation to know and comply with it:

- members of the Board of Directors and, in any case, those who perform the functions of representation, management, administration, direction or control of the Company or of an organizational unit, having financial and functional autonomy (hereinafter "Directors");
- members of the Board of Statutory Auditors (hereinafter "Statutory Auditors");



- the employees and all the external co-workers under any type of contract with the company, including on an occasional and/or merely temporary basis (hereinafter “Employees”, “Personnel” or “Internal Recipients”);
- anyone having dealings of any nature with the Company, whether for a consideration or without consideration (such as, including but not limited to, consultants, suppliers, works or service contractors, commercial and financial partners and third parties in general – hereinafter “Third Party Recipients”).

The Recipients are obligated to strictly comply with all the provisions of the Model.

TPZ disapproves and punishes any behaviour not compliant to the provisions of the Model, as well as to the law, even if the conduct is performed in the belief of pursuing, even partially, the interests of the Company or with the intention of providing it with an advantage.

### 1.3 PURPOSES OF THE TELESPAZIO’S MODEL

The Model aims to:

- integrate, by strengthening it, the TPZ Corporate Governance system, which presides over the management and control of the Company;
- define an organic prevention system, aimed at the reduction of the risk of commission of the crimes defined by the Decree (hereinafter also “predicate crimes”; for the types of predicate crimes please refer to the Annex 1 of the Model);
- inform the Recipients about the existence of the Model and about the need to comply with it;
- train the Internal Recipients of the Model, by stressing the point that TPZ shall not tolerate any illegal behaviour, regardless of the purpose pursued in committing the crime, or regardless of whether the offenders were acting on the wrong assumption that they were doing so in the interest or to the advantage of the Company, because such behaviours imply a violation of the ethical principles and values inspiring TPZ and are therefore opposed to the interest of the company;



- sensitize and ensure that anyone operating in the name, on behalf or anyway in the interest of TPZ is aware that any predicate crime – even in terms of attempt - perpetrated in the mistaken assumption that he or she is operating in the interest or in advantage of the Company, may give rise to the application not only of criminal penalties against the agent, but also of administrative penalties against the Company (for further information on the penalties provided by the Legislative Decree no. 231/01 please refer to the Annex 1 of the Model), thus exposing the latter to financial, operating, image and reputational damage;
- inform anyone operating in the name, on behalf or anyway in the interest of the Company that any violation of the provisions of the Model will lead to the application of penalties, whether or not any acts representing a crime have actually been performed yet.

#### 1.4 PREPARATION AND UPDATE OF THE TELESPAZIO'S MODEL

TPZ ensures the continuous implementation and update of the Model in application of the methods indicated in Confindustria's Guidelines and in best practices.

In 2004 the Board of Directors of TPZ approved the Organizational, Management and Control Model pursuant to the Decree, continuously updated by means of subsequent resolutions<sup>1</sup> in order to take into account the new regulatory provisions, the case history as well as the amendments to the Company's organization and business activities.

In particular, with the support of the Surveillance Body (hereinafter "SB"), Telespazio shall:

- periodically identify and assess crime sensitive areas as provided for in the Decree (the so-called "risk assessment"), predicate through the analysis of the company's context and a valorization of the company's prior recorded experience (so called "historical analysis"). To this effect, in line with the

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<sup>1</sup> Resolutions of 28 June 2006, 9 June 2009, 21 April 2011, 24 April 2012, 22 October 2012, 29 April 2013, 19 December 2013, 4 December 2015, 28 July 2017, 14 October 2019 and 24/ 05 /2021.



provisions of Confindustria's Guidelines, the risk assessment activities shall keep in consideration the critical profiles emerged in the past in the context of TPZ's operations and the Group Companies. The areas of risk associated with the management of existing intra-group relationships between Telespazio and the subsidiaries were also considered.

As a result of such activity a document containing a map of all the company's activities was produced, in which are reported the crime-risk areas and instrumental areas<sup>2</sup>, with the indication of the categories of crime that were more likely relevant. The modalities of crimes commission have been reported by of examples in the Special Parts of the Model.

With reference to all the crime sensitive areas, the review covered any indirect relationships, such as those Telespazio has, or might have, through third parties. It should be also noted that the risk profiles connected to the activities carried out by TPZ also take into account the possibility that certain members of the company's personnel may collude with any parties external to the Company (so-called complicity in crime), as well as when they establish with such entities a basically stable organization and with the intent of committing an indefinite series of offences (crimes of association). The analysis also covered the possibility that the offences taken into consideration may be perpetrated in a foreign country, that is to say in a transnational manner;

- analyze the preventive controls system in place in the processes/activities at risk (organizational framework, authorization framework, management control framework, document control and monitoring framework, procedures, etc.) in order to assess whether they are able to prevent the risk of crimes' perpetration (the so called "as-is analysis");
- identify the areas where the system of controls can be improved and/or integrated and define the steps to be taken (the so-called "gap analysis");
- define the following corrective actions to implement (the so called implementation plan);

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<sup>2</sup> "Instrumental" areas are those activities in which there is the chance that there are conditions, which can make possible the crimes commission within the "direct" risk areas.



- see to the constant implementation of the principles of conduct and of the procedural rules established in the Model and assess whether control instruments are effective and operating to monitor the actual observance of the Model.

### 1.5 DOCUMENT STRUCTURE

The Model consists of a General Part and the Special Parts.

In the General Part the essential components of the Model are illustrated, with specific reference to the Surveillance Body, the training of the staff, the diffusion of the Model, the disciplinary system and the measures to be taken in the event of non-compliance with its requirements.

The Special Parts are, instead, dedicated to the different types of crime assumed relevant to the outcome of the risk assessment activity.

To this mean, each Special Part contains the reference to the individual crimes referred to in the Decree (for the cases of the predicate crimes refer to the Annex 1 of the Model), the general principles of behaviour on which conducts in all areas of potential crime-related risk and areas identified as being at risk of crime should be based (for the purpose of associating Areas at risk and U.O/LoB involved, please refer to the Annex 2 of the Model).

Within each area of crime risk, sensitive activities, possible ways of committing crimes or instrumental conduct to the commission of crimes, as well as the principles of preventive control, are identified.

### 1.6 CONSTITUENTS OF THE TELESPAZIO MODEL

The essential components of the Model, referred to in the previous paragraph, are divided into:

- an **internal regulatory system**, aimed at the prevention of the predicate crimes, and including the following documents:
  - the Code of Ethics of Telespazio, which describe the ethical responsibilities and commitments in the conduction of the company's activities and business undertaken by anyone operating on behalf or in the interest of Telespazio;



- the Anti-Corruption Code of Leonardo Group, adopted by Telespazio, which expresses the rules for preventing and fighting corruption.
- the Charter of Values which expresses the guiding principles of Telespazio's way of doing business, based on the commitment to operate, anywhere in the world and at any level, according to strong and shared ethical values;
- internal procedural rules<sup>3</sup>, having the purpose of regulating the operating methods in crime risk areas, which need to be considered as the rules to be followed for performing the corporate activities, providing the controls to be carried out for ensuring their fairness, effectiveness and efficiency. Moreover, Telespazio has set responsibility, modalities and timing of the process of elaboration, updating and approval of the internal procedural rules.

The internal procedural rules, available to all the employees, reside permanently on the corporate intranet, in their applicable version and as time in force, starting from their inclusion, in a dedicated section;

- a **management control framework and a cash flow control system** for risk activities.

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<sup>3</sup> The main internal procedural rules, according to the company documentation system, are:

- **Telespazio Group Directive:** binding document stating, on a Telespazio Group level, the provisions relating to a specific theme/transnational process;
- **Policy:** binding document aimed at
  - explaining, for certain areas, the company policy from which the related management system derives (example: Quality policy, Environmental policy);
  - explaining behavioral criteria related to specific management issues (example: telephony policy, company benefits).
- **Procedure:** binding document defining and describing one or more processes, assigning responsibilities and actions to the various stakeholders.

In addition, Leonardo S.p.A. can issue documentation related to the internal regulatory system, which is, in the various forms, disseminated and encompassed by TPZ. This, in particular, refers to the "Directives" and guidelines containing prescriptions applying to subsidiaries that are published in the corporate intranet and are formally adopted or encompassed by Telespazio into specific procedures, except in cases where they do not require the declination of internal processes.



The management of the financial flows is conducted according to the traceability and provability of the operations performed, as well as according to the powers and the responsibilities assigned.

The management control framework adopted by Telespazio is structured into the different phases of preparation of the annual budget, analysis of interim closing statements and formulation of forecasts.

The system ensures:

- that several parties are involved, so as to guarantee a fair segregation of duties, for the processing and transmission of information, in such a way as to assure that all disbursements are requested, authorized, made and controlled by independent functions or otherwise distinct parties, to which, in addition, are not assigned other responsibilities that may lead to conflict of interests. When the disbursement of liquidity exceeds the predetermined thresholds, a double signature shall be required;
- the preservation of assets, together with a prohibition to carry out risky financial operations;
- that any actual or potential critical situations may be promptly reported, through a suitable and swift system of reporting and information flows;
- an **organizational structure** in line with the corporate business, suitable to ensure proper behaviours, thus defining a clear and organic attribution of tasks, by implementing the correct segregation of functions, and pointed to the actual implementation and control of the desired governance structures, by use of:
  - *organizational charts* defined through Service Orders and Organization Notices that clearly identify the attributed responsibilities, areas of activity, the connection between the different Organizational Units and the reporting and functional lines, that faithfully reflects the actual operation of the pinpointed functions;
  - *a system of management of outsourced processes* for which the Company has defined the outsourced activities, the criteria for the selection of the third parties, and the methods for assessing their performance's level; relations with these third parties (also belonging to



the TPZ, Leonardo and Thales Groups) are formalised by service contracts;

- a system of *powers*. In particular, the Company assigns:
  - *permanent representation powers*, by registered notary attorneys drawn up by a Civil Law Notary, regarding the performance of activities connected to the permanent responsibilities existing within the corporate organization;
  - *powers to carry out single operations*, conferred by attorneys, in compliance with the laws that define representation and with the types of deeds to be entered into, as well as taking into account the different needs of enforceability to third parties.

The Company assures the constant updating and consistency of the system of powers and the organizational and management responsibilities defined, for example, in case of: review of the corporate macro-organizational structure (for example setting up organizational units); significant variations of responsibility and turnover of employees in a key position in the structure; resignation of individuals vested with corporate powers or individuals joining the organization and to be vested with corporate powers;

- a **Surveillance Body** endowed with the requirements of autonomy, independence, continuity of action and professionalism of the tasks of supervising the execution of and the compliance with the Model and proposing any updates, having been granted with the powers, means and access to the necessary information to carry out such activity;
- a **training and information system** aimed at disclosing the contents and principles of the Model to all the Recipients;
- a specific **disciplinary system** to punish the violations of the Model.



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| <b>Internal Regulatory System</b>                                  | ⇒ | <ul style="list-style-type: none"><li>- Code of Ethics of Telespazio</li><li>- Anti-Corruption Code of Leonardo Group, adopted by Telespazio</li><li>- Charter of Values</li><li>- Internal Procedural Rules</li></ul> |
| <b>Management control framework and a cash flow control system</b> | ⇒ | Financial flows are managed in compliance with the principles of traceability and documentability of the transactions carried out, as well as consistency with the powers and responsibilities assigned                |
| <b>Organizational structure</b>                                    | ⇒ | <ul style="list-style-type: none"><li>- Organization charts</li><li>- Management system of outsourced processes</li><li>- System of powers (proxies and powers of attorney)</li></ul>                                  |
| <b>Surveillance Body</b>   | ⇒ | With the task of supervising the functioning and observance of the Model and proposing its updating  |
| <b>Training and information system</b>                             | ⇒ | Aimed at disseminating the contents and principles of the Model to all Recipients  |
| <b>Disciplinary System</b>   | ⇒ | To sanction violations of the Model  |

#### CONSTITUENTS OF THE TELESPAZIO MODEL

##### 1.7 CONTROL PRINCIPLES PURSUANT TO THE DECREE NO. 231/01

The Company has the purpose to implement an effective system of preventive controls that cannot be circumvented if not fraudulently.

Such controls principles consist of three levels:

- **general control principles**, to which the Internal Control System and risk prevention shall comply with:
  - **segregation of functions** between those who authorize, who executes and who controls the operations, in order to avoid that anyone has unlimited powers not supervised by others;



- **formalized internal procedures** to regulate activities, responsibilities and controls;
- **delegations of authority and proxies**;
- **traceability** – because the individuals, the organizational units involved and/or the information system used must ensure the identification and the traceability of the sources, information and checks performed which underlie the Company's decisions and the modalities for managing the financial resources;
- **general principles of conduct**, aimed at aligning the methods of decisions' making, within each of the categories of crime considered to be more relevant or significant;
- **preventive control principles**, aimed at preventing the materialization of crime commission within each of the risk areas mapped and listed in the Special Parts of the Model.

Given the specific operation of TPZ, upon the outcome of the risk assessment activity, they were identified as the **most relevant**, and therefore subject to specific detail in the Special Parts of the Model, the crimes provided at articles 24 and 25<sup>4</sup> (crimes against Public Administration), 24 *bis* (cybercrimes and

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<sup>4</sup> The cases of embezzlement (ex art. 314, co. 1, cp), embezzlement through the profit of the error of others (ex art. 316 cp) and abuse of office (ex art. 323 cp), recently introduced in the category of crimes presupposed by Legislative Decree 14 July 2020, n. 75., constitute so-called "Own" crimes that is crimes that can be committed by the Public Official or by the Public Service Officer. Therefore, given that Telespazio's Directors and personnel do not seem to hold a publicistic qualification, following the outcome of the risk assessment activity, the Company deemed these offenses not applicable to its own company and therefore sensitive for the purposes of the administrative responsibility of the Body. In any case, from the risk analysis it emerged that the general principles of conduct and control contained in Special Section "A" are suitable for overseeing the proper management of relations with the Public Administration, also with reference to the hypothesis of the so-called involvement of the extraneous in the crime of the Public Official or by the Public Service Officer. aforementioned crimes cannot be envisaged given that the Directors and staff of Telespazio do not seem to have a public qualification. In any case, from the risk analysis it emerged that the general principles of conduct and control contained in Special Section "A" are suitable for overseeing the proper management of relations with the Public Administration, also with reference to the hypothesis of the so-called involvement of the extraneous in the crime of the Public Official or by the Public Service Officer.



unlawful data processing), 24 *ter* (organized crimes, also taking into account the transnational crimes and offences in accordance with Law no. 146/06), 25 *bis* (forging money, public credit notes, revenue stamps and instruments or identity marks), 25 *bis* 1 (crimes against industry and trade), 25 *ter* (corporate crimes), 25 *quinqüies* (crimes against individual personality, for what concerns the article 603 *bis* of penal code “*Illegal Intermediation and Labor Exploitation*”), 25 *sexies* (market abuse and related administrative offences under the TUF), 25 *septies* (manslaughter or severe personal injuries committed in violation of occupational health and safety provisions), 25 *octies* (receiving, laundering and using money, goods or profits from illegal activities, as well as self-laundering), 25 *novies* (crimes connected with copyright infringement), 25 *decies* (inducing individuals into not making statements or into making false statements to judicial authorities), 25 *undecies* (environmental crimes) and 25 *duodecies* (employment of foreign nationals without a valid residence permit) , 25 *quinqüiesdecies* (fiscal crimes), and 25 *sexiesdecies* (contraband crimes) of the Decree.



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| <p><b>Special Part A</b></p> <p>Crimes against the Public Administration and the Administration of Justice, crimes against individual personality and the employment of foreign national without valid residence permit</p> <p><i>(Articles 24, 25, 25 quinquies - limited to article 603 bis of the Italian Criminal Code- 25 decies and 25 duodecies of the Decree and art. 10(9) L. 16.03.2006 n. 146)Decreto e art. 10, co. 9, L. 16.03.2006 n. 146)</i></p> | <p><b>Special Part B</b></p> <p>Corporate crimes and market abuse</p> <p><i>(Article 25 ter and 25 sexies of the Decree and Article 187 bis and ter of the Legislative Decree no. 58 of 1998 Consolidate Law on Finance - "TUF")</i></p> | <p><b>Special Part B1</b></p> <p>Corruption among private parties</p> <p><i>(art. 25 ter (1, lett. s-bis))</i></p>   |
| <p><b>Special Part C</b></p> <p>Manslaughter or severe personal injuries committed in violation of occupational health and safety provisions and Environmental Crimes</p> <p><i>(art. 25 septies and art. 25 undecies)</i></p>   | <p><b>Special Part D</b></p> <p>Receiving, laundering and using money, goods or profits from illegal activities, as well as self-laundering</p> <p><i>(art. 25 octies)</i></p>   | <p><b>Special Part E</b></p> <p>Cybercrimes and unlawful data processing and Crimes connected with copyright infringement</p> <p><i>(artt. 24 bis e 25 novies)</i></p> |
| <p><b>Special Part F</b></p> <p>Crimes against industry and trade and forging money, public credit notes, revenue stamps and instruments or identity marks</p> <p><i>(art. 25 bis 1 and 25 bis)</i></p>  | <p><b>Special Part G</b></p> <p>Organized crimes</p> <p><i>(art. 24 ter of the Decree and 10 of the Law no.146/2006)</i></p>   | <p><b>Special Part H</b></p> <p>Tax crimes</p> <p><i>(art. 25 quinquiesdecies)</i></p>   |
| <p><b>Special Part I</b></p> <p>Contraband crimes</p> <p><i>(art. 25 sexiesdecies)</i></p>   |  |  |

For such categories of crime apply the general control principles described in the General Part, as well as the general principles of conduct and the preventive control principles described in the Code of Ethics, in Anti-Corruption Code of the Leonardo Group, in each Special Part and the internal procedural rules.



Regarding the remaining categories of crimes provided for by the Decree, as a result of *risk assessment* activities, it has been considered that, although applicable, their commission can be deemed as **not relevant** by virtue of the Company's business activities. Therefore, in relation to these types of crimes shall be considered applicable to the general control principles described in the General Part, in the Code of Ethics, and in all internal corporate rules.

#### 1.8 AMENDMENTS AND INTEGRATIONS OF THE MODEL

The adoption and subsequent modifications and integrations of the Model shall be a responsibility of the Board of Directors of Telespazio in line with the provisions of Article 6 (1) (a) of the Decree.

The Board of Directors shall establish any formal amendments to the Model with the support of the Organizational Unit competent on compliance matters.

#### 1.9 ADOPTION AND MANAGEMENT OF THE MODEL IN THE GROUP

Telespazio deems that the respect of the laws, industry regulations and ethical principles outlined in the Code of Ethics and in the Anti-Corruption Code of the Leonardo Group must be an essential condition for maintaining and improving the corporate value over time.

The Company, according to the organizational, management and operating autonomy of the Group companies, requests to each of its direct and indirect subsidiaries, subject to the provisions of the Italian law, to adopt and implement an organizational Model, taking into account the specific risk profiles relating to the actual operations carried out by each of them, in the pursuit of the following objectives:

- ensuring correct behaviours, in the obedience of the laws, the regulations of the industry and the ethical principles set out in the Code of Ethics adopted by the Company and on Anti-Corruption Code of the Leonardo Group;
- making anyone who operates in the context of the subsidiaries, aware that any unlawful behaviour can result in the application of criminal and administrative penalties, with a serious prejudice for the assets, the operations and the image not only of any involved company, but also of Telespazio and other Group companies.



In other partially owned entities formed under Italian law, TPZ shall formally request compliance with the provisions of Legislative Decree 231/2001 through its representatives in the respective Boards of Directors or during Shareholders' Meetings.

On the contrary, for the TPZ Group companies not under Italian law, the Company requires the adoption, implementation and updating of compliance programs consistent with the regulations referable to them and with the ethical principles outlined in the Anti-Corruption Code of Leonardo Group and in the Code of Ethics adopted by the Company.

All Group Companies are required to comply with the rules and principles contained in the Group's Charter of Values of Leonardo, in their respective Codes of Ethics, in the Group's Anti-Corruption Code of Leonardo, in the Guidelines for Report Management, in the Directives, in their procedures and in other company documents, as well as in applicable national, international and local regulations.

## **2. SURVEILLANCE BODY**

### 2.1 COMPOSITION AND REQUIREMENTS OF THE SURVEILLANCE BODY

The SB of Telespazio is a mixed collegiate body, consisting of at least three members, whose majority shall consist of external members.

The SB is appointed by the Board of Directors of Telespazio, which shall identify as well the Chairman of the Body, by choosing him among one of the external members.

The two external members shall be selected among academic individuals and professionals with proven expertise and experience in legal, financial and internal control matters, as well as an adequate and proven experience within the Decree's scope of application, whereas the internal member belongs to the Organizational Unit competent on compliance matter.

The appointment, tasks, activities and operations of the SB as well as its members' term of office, revocation, replacement and requirements, shall be regulated in a specific Statute approved by the Board of Directors of the Company.



Furthermore, the Body has adopted a set of Regulations which are expression of its operational and organizational autonomy, intending to govern, in particular, the operation of its activities.

In line with the Decree and the Guidelines of Confindustria, Telespazio's SB shall meet the following requirements:

- a) autonomy and independence;
- b) professionalism;
- c) continuity of action.

#### a) Autonomy and independence

The SB shall be autonomous and independent from the corporate bodies on which it exercises its control activity.

In no way whatsoever shall it be involved in management activities nor be dependent on a hierarchic reporting line.

With the intent to preserving the independence of the SB, the Statute provides that the Body remains in office for a term of three years. Each external member of the SB may only be re-elected once; in any event, the Chairman shall hold the office until a successor is appointed.

As a further guarantee of its independence, the SB shall inform the Board of Directors and the Board of Statutory Auditors on its activities, at least once a year. In any event, the Body shall promptly report on any particularly significant event.

The activities put into place by the SB can not be challenged by any corporate function, body or structure, with the exception of the Board of Directors, which shall have power and duty to monitor the adequacy of the Body's measures in order to ensure the update and application of the Model.

In the performance of its functions, the SB shall be granted with adequate financial means to conduct its operations.

#### b) Professionalism



The members of the SB shall possess specific technical-professional expertise, adequate to the functions the Body is called to perform, and may also use the technical support of parties inside or outside the Company.

In order to improve and increase efficiency in the performance of the assigned tasks and functions, the Body shall be supported in the performance of its operating activities by the Group Internal Audit Organizational Unit (dedicated to the space activities) of Leonardo S.p.a. (hereinafter "Leonardo") and the TPZ Organisational Unit responsible for the compliance, as well as by other business functions or structures, which, from time to time, may be useful for the performance of their activities.

c) Continuity of action

The SB shall operate within the Company, continuously exercising powers of control and meeting at least once a month, to carry out its assignment.

In order to ensure the sensitive corporate processes monitoring, as defined in the Decree, the SB in addition to the information provided by its internal members, uses also the company procedures, the incoming information flows and of the interviews with the Responsibles of the areas potentially at risk of crime. In performing its activities, the SB is supported by the Group Internal Audit Organizational Unit (dedicated to the space activities) of Leonardo.

2.2 CAUSES FOR INELIGIBILITY, REVOCATION OF THE APPOINTMENT OF MEMBERS OF THE SB

Any appointment as a member of the SB shall be conditional on the presence and continued existence of the requirements set in the Statute.

In particular, members of SB must have the following integrity requirements:

- a) not being banned, incapacitated, in judicial liquidation or being sentenced to the ban, even temporary, from public offices or the inability to act in a managerial position;
- b) not being subject to preventive measures of insolvency provided by the judicial authority;



- c) not having been convicted, even with a non-definitive judgement, and having negotiated the punishment according to the Articles 444 and following of the Procedural Crime Code, for crimes set forth in the Decree no. 231 of 2001 or similar crimes (i.e. bankruptcy crimes, crimes against property, crimes against the public trust, etc.);
- d) not having been convicted, even with a non-definitive administrative judgement, for one of the crimes set forth in Articles 187 bis and 187 ter of Legislative Decree 58/1998 (hereinafter "TUF");
- e) not having been investigated for crimes of association with the purpose of terrorism, including international or subversion of the democratic order, for the mafia-style association, for camorra or other kinds of associations whether locally named, pursuing purposes or acting with methods corresponding to those of the mafia-style associations;
- f) not having been sentenced, even with a non-definitive judgement, to imprisonment for not less than two years for any intentional crime, excluding the rehabilitation effects;

External members of SB must have also the following independence requirements:

- a) not having any relationship by marriage, kinship or affinity within the fourth grade with Directors, Statutory Auditors or executives of Telespazio, Leonardo, Thales S.A. (hereinafter "Thales") or other companies of the TPZ, Leonardo, Thales Groups;
- b) not existence of any facts determining a conflict of interest, even if only potential, with Telespazio, Leonardo or Thales (or with other companies of the same Groups); in particular shall not be in place any business or professional relations with Telespazio, Leonardo or Thales (or with other companies of the same Groups) that may compromise the independence;
- c) not being member of the Board of Directors of Telespazio, Leonardo or Thales (or of other companies of the same Groups);
- d) not being in charge as a member of the SB in Telespazio, Leonardo, Thales or in other companies belonging to the TPZ, Leonardo and Thales Groups;



- e) not being owner, directly or indirectly, of Leonardo or Thales shares (or of any Group Companies), so as to compromise the independence;
- f) not existence of situations which may prevent from carrying out, diligently and effectively, the task inherent to the assignment, in the interest of the Company;
- g) not existence of other facts or conditions that may prevent the independence of judgment in exercising as member of the SB, taking into account the interest of the Company, Leonardo, Thales and other companies of the same Groups.

With the intent to ensure the integrity and independence requirements, the external members of the Body, at the time of their appointment, and in any case before their establishment, must release a specific declaration, under penalty of revocation. In the context of the same declaration, the members of the Surveillance Body commit to promptly communicate any failure to meet the requisites of independence and integrity, as well as, more generally, any occurring circumstance that makes them incompatible with the performance of the assignment.

Reasonable cause of suspension and subsequent revocation from office is:

1. the missing of any of the integrity and independence requirements listed above (those changes have to be timely communicated to SB members);
2. failure to attend at least to 80% (eighty per cent) of the SB meetings;
3. not being anymore employed by Telespazio (for internal members);
4. failure or negligence in the performance of the tasks assigned to the SB;
5. violation of the Anti-Corruption Code of Leonardo Group, The Code of Ethics or the Model.

In the event that all the members of the Surveillance Body, or the majority thereof, were revoked, the Board of Directors, upon consultation with the Board of Statutory Auditors, shall proceed to appoint a new Body. In the case that the appointment of the new SB is still under discussion, the functions and duties thereto assigned shall be provisionally exercised by the Board of Statutory Auditors, according to the Article 6, paragraph 4 *bis* of the Decree.

In addition the Board of Directors may, by giving notice to the Board of Statutory Auditors, suspend the duties of a member of the Body for:



- the provisional application of preventive measures;
- a conviction for a crime different from the ones for which the revocation is provided;
- the application of personal precautionary measures.

### 2.3 FUNCTIONS AND POWERS OF THE SURVEILLANCE BODY

The Surveillance Body, responsible for assessing and monitoring the adequacy and the actual observance of the Model and its update, is completely autonomous in its tasks and its decisions are unquestionable.

More specifically, the SB shall be responsible for:

- assessing the adequacy and efficacy of the Model on the business structure, and is actually able to prevent the crimes specified in the Decree, and proposing - if deemed necessary - any updates to the Model, particularly with regard to the evolution and changes in the business organizational structure and/or in the operations and/or in current laws;
- monitoring and assessing the validity over time of the Model and the procedures, by promoting, also prior consultation with the interested business structures, all the necessary actions to ensure its effectiveness;
- on the basis of the approved activities' Plan, or by means of unplanned surprise audits, carrying out periodical reviews on the business structures deemed to be at risk of crime, with a view to controlling whether the activity is carried out in accordance with the adopted Model;
- monitoring the implementation and the actual operation of the proposed solutions, through a *follow-up* activity;
- carrying out, also through specific planning of the interventions, an audit of the actions performed by the officers with signing powers;
- periodically checking - with the support of the other competent functions - the system of delegated authorities in force, in order to ascertain the consistency with the settled organizational and management responsibilities, recommending amendments in case the managing power and/or the qualification does not match the representation powers conferred to the internal manager or the sub-managers in charge;



- developing and overseeing, in application of the Model, an information flow capable of ensuring the regular update of the Surveillance Body by the relevant business structures, with regard to crime risk activities, and also establishing – if required – further communication / reporting methods, with a view to acquiring knowledge of any violations of the Model;
- overseeing the actual application of the Model and detecting any irregular behaviour that may emerge from the review of the information flows and of the reports received;
- implementing, in line with the Model, an effective information flow directed to the relevant business bodies on the effectiveness and application of the Model;
- promptly communicating to the Board of Directors any infringements to the provisions - of the law and of any procedures - that might give rise to the offences set forth in the Decree;
- promoting, with the Organizational Unit competent on human resources and organization management, the personnel training through suitable initiatives for the circulation of knowledge and understanding of the Model;
- checking that the internal managers in charge of risk areas know tasks and duties related to the control of the area with the purpose of preventing possible crimes as provided for in the Decree;
- periodically assessing, with the support of the relevant structures, the validity of the contractual clauses aimed at ensuring that the Model is adopted by the third party Recipients;
- communicating any violations of the Model to the relevant bodies, based on the Disciplinary System, in order to ensure the adoption of any sanctions.

For the performance of the above mentioned duties, the SB shall be assigned the following powers:

- access to any corporate document and/or information which might be useful for the performance of its functions;
- appointment of consultants of proven professional stance, when necessary in order to carry out its activities;
- require that the Heads of the corporate structures promptly supply information, data and/or news requested to them;



- proceed, if necessary, to the direct interview of employees, Directors and members of the Board of Statutory Auditors of the Company;
- request information from consultants, financial and commercial partners, suppliers, contractors of works or services, and third parties in general within the activities carried out on behalf of the Company.

The Body may decide to delegate one or more specific accomplishments to its members, based on their respective expertise, subject to the obligation to report to the Body itself. In any event, the Body shall have a collective responsibility also as concerns any functions delegated by it to individual members.

#### 2.4 REPORTING BY THE SURVEILLANCE BODY TO THE CORPORATE BODIES

Telespazio's SB, within the scope of its tasks, informs the relevant corporate bodies so that they may adopt any consequent resolutions and undertake the necessary actions to ensure the actual and continuous adequacy and the material implementation of the Model.

In particular, the SB shall at least yearly report to the Board of Directors and the Board of Statutory Auditors, about the following information:

- the overall activity carried out, and particularly the reviews of sensitive processes pursuant to the Decree;
- the critical profiles emerged either in terms of conducts or events internal to the Company, or in terms of the effectiveness of the Model;
- an analysis of any submissions received and the relevant actions undertaken by the SB (according to the provisions of the Whistleblowing Management Guidelines in force) and other persons concerned;
- the proposals of review and update of the Model;
- the information on the Activity Plan.

Moreover, the SB shall promptly report to the Chief Executive Officer (so called *ad hoc* reporting) on the following:

- any violation of the Model which is regarded as having sufficient grounds and has come to its knowledge or found out by the Body itself;
- detected organizational or procedural lacks which may give rise to a real danger of the commission of the crimes deemed significant for the Decree;



- lack of cooperation by the business structures;
- any criminal proceedings against individuals operating on behalf of the Company, or against TPZ in relation to crimes deemed significant for the Decree, which has come to knowledge;
- any other information deemed useful for the approval of urgent resolutions by the Chief Executive Officer.

The Body shall also promptly report as follows:

- to the Board of Directors on any violations of the Model by the Chief Executive Officer, by executives of the Company, or by members of the Board of Statutory Auditors;
- to the Board of Statutory Auditors on any violations of the Model by the Independent Auditors, or by the members of the Board of Directors, so that the measures set out in this regard by the law may be adopted.

The SB of Telespazio, at the request of the aforementioned bodies, reports, at any moment, regarding the functioning of the Model or on specific situations, or may in turn, at any time, submit a request, in this regard.

The SB operates in accordance with the "Guidelines on Whistleblowing Management" issued by Leonardo and adopted by the Board of Directors.

## 2.5 INFORMATION FLOWS TO THE SURVEILLANCE BODY

The Article 6, paragraph 2, letter d) of the Decree requires that the Model must include an obligation to disclose information to the SB in charge of the surveillance on the application and observance of the Model itself.

The prevision of information flow is necessary to guarantee an effective surveillance activity of the SB and for the identification, in retrospect, as applicable, of the causes that made it possible for the foregoing offences defined in the Decree to be committed.

All the Model's Recipients shall inform the SB of any Model's violation, as well as of any behaviour or event potentially relevant for the purpose of the Decree.

As provided in the Confindustria Guidelines and by best operational practice, the information flows to the Surveillance Body are distinguished as follow:



- **ad-hoc information flows;**
- **submissions;**
- **regular information.**

#### 2.5.1 AD-HOC INFORMATION FLOWS

Ad-hoc information flows addressed to the SB by corporate staff or third parties shall concern current or potential critical profiles and may consist, by way of example, of the following:

- measures and/or notices coming from the judicial authority to the Company or to its Directors, executives or employees, from which it may emerge the performing of investigations by the same Authority conducted for administrative offences set out in the Legislative Decree no. 231/01 or for any predicate crimes, as well as for crimes that may, even indirectly, cause an administrative liability pursuant to the Decree;
- requests for legal assistance made by executives and/or by employees in relation to the start of judicial proceedings for the predicate crimes;
- the evidence of any disciplinary proceedings for the violations of the Model, Anti-Corruption Code of Leonardo Group or the Code of Ethics of Telespazio, of their outcomes and motivations, and of the eventual sanctions inflicted;
- reports from which critical profile elements may emerge with regard to the observance of any provisions of the Decree;
- the existence of any conflict of interest situations between one of the Recipients and the Company;
- any provisions handed down by the judicial Authority on safety and health at the workplace, from which may emerge violations of these regulations;
- any eventual provisions handed down by the judicial Authority on environmental matters, from which may emerge violations of these regulations;
- the intra-group transactions concluded at prices different from market rates, with a clear indication of the related reasons;
- crimes pursuant to Legislative Decree 231/01 or the performance of acts intended to facilitate them;
- crimes related to administrative offences pursuant to Legislative Decree 231/01;



- behaviours not in line with the rules of conduct provided by the Model and by the relevant internal procedural rules;
- eventual changes to, or detected gaps, in the business and organizational structure;
- eventual changes to, or detected gaps, in the procedures;
- eventual changes to, or detected gaps, in the system of powers;
- operations having a risk profile associated with the commission of the crime;
- any financial transfers between the Company and other companies of the TPZ, Leonardo and Thales Groups that are not justified in a specific contract stipulated under market conditions;
- any financial and commercial transactions carried out in countries with privileged tax regime;
- the information and training activities carried out in the implementation phase of the Model and the staff's participation in such activities;
- any disputes resulting from an inspection on safety and environmental issued by Public Entities and/or control Authorities (i.e. ARPA, ASL, etc.) and any other document on the aforementioned subjects;
- any documents which might be useful to forecast and maintain over time an adequate control structure able to prevent any illegal behaviours in the use of IT tools and systems and in the data processing (i.e. network traffic reporting in aggregate form), as well as in the management of intellectual properties;
- any changes to the Risk Assessment Document, and to the Emergency Plan;
- the report of the HSE Committee meetings, including the data related to any accidents that have occurred in the company as well as the so-called "near-accidents", that include all those events which, although they have not resulted into harmful events for workers, can still be considered symptomatic of any weaknesses or gaps in the health and safety system and in the measures adopted for the purpose of adjusting the procedures.

The SB may also request from the external auditors' information concerning the audits they carried out which may be useful for the implementation of the



Model and schedule a periodical exchange of information as well as meetings with the Board of Statutory Auditors and the external auditors.

#### 2.5.2 SUBMISSIONS

All the Recipients of the Model are required to inform the SB as to any act, behaviour or event they have come to knowledge of and that might determine a breach of the Model or, more generally, be potentially relevant for the purposes of the Decree.

The SB shall examine the **submissions** received, including anonymous ones, according to the provisions of the "Whistleblowing Management Guidelines", and decide on the measures to be taken, possibly after interviews with the author of the submission and/or the presumed-guilty party and/or any other person, as deemed useful, and giving handwritten motivations of the decision.

In order to facilitate the **reporting** and **information flow** to the SB, a dedicated email address has been set up: [odv@telespazio.com](mailto:odv@telespazio.com).

Any **submissions** may also be addressed by:

- **fax no. 06-40999165;**
- **mail to: "Surveillance Body pursuant to Legislative Decree no. 231/01., Telespazio S.p.a., Via Tiburtina 965, 00156, Roma";**
- **the web site: telespazio.com.**

The Company ensures:

- the maximum tutelage and confidentiality for the whistleblowers, with the exception for obligations resulting from the law and the protection of the company's rights or people wrongly accused and/or in bad faith, as well as the warranty against any form of repercussion, discrimination or penalization (direct or indirect), related to the reporting, directly or indirectly;
- the correct fulfillment of the information obligation by the Recipients, highlighting that this obligation cannot give rise to the application of disciplinary and / or contractual sanctions;
- the protection from defamatory reports.



Moreover, sanctions are provided against anyone who breaches measures of whistleblowers' protection, makes any unfounded reports with intent or gross negligence, as well as adopts any form of repercussion, discrimination or penalization to the whistleblower regarding the report itself, have been defined, in line with the disciplinary system described in paragraph *"Disciplinary system and measures in the event of non-compliance to the provisions of the Model"*.

For more information on the procedures for investigating and verifying the reports received, please refer to the "Guidelines for the management of reports".

### 2.5.3 REGULAR INFORMATION

In addition to the information provided in the previous paragraph, the information regarding recurrent activities that could be relevant to the Body for the purpose of carrying out the tasks assigned to it (with the obligation to make available to the SB the related documentation, if available), shall be promptly communicated to the Body, such as:

- the request, payment or management of grants;
- the outcomes of the testing and monitoring activities on environmental requirements;
- policy regarding the activity carried out by the Organizational Unit responsible for Anti-corruption.

### 2.5.4 REPORTING TO THE SB BY THE HEADS OF THE CRIME RISK AREAS (EVIDENCING PAPER)

The Heads of the Organizational Units and the Line of Business are internal managers in charge of each risk operation they carry out, directly or through their collaborators.

Risk activities must be communicated to the SB by the mentioned Heads of the units by filling in an Evidencing Paper to be updated on a periodical basis.

The Heads of the identified risk areas must make the members of their teams to fill these reports out and re-transmit them to the Body, which is responsible to file them and test their contents, including during the interviews held on a regular basis with the various managers in charge.



On these operations, the SB carries out further controls, which will be recorded in writing.

The Body shall issue and update the standardized instructions to the managers in charge of the risk areas on how to fill the Evidence forms out in a uniform and consistent manner. Such instructions must be recorded in writing and kept in both hard copy and electronic format.

### **3. PERSONNEL TRAINING AND CIRCULATION OF THE MODEL IN THE CORPORATE ENVIRONMENT AND OUTSIDE THE COMPANY**

#### 3.1 PERSONNEL TRAINING

Telespazio shall promote the knowledge of the Model, of the internal regulatory system and their updates among all employees who shall, therefore, be required to know, comply with and carry out its contents.

The Organizational Unit competent on Human Resources and Organization management shall manage, with the Organizational Unit competent on compliance, the training of staff on the contents of the Decree and on the implementation of the Model, giving notice to the SB.

In this context, communications shall involve:

- the upload of the Model, of the Code of Ethics and of the Anti-Corruption Code of Leonardo Group in the corporate intranet, in the specific section "*Corporate Governance*" and in the section "*About Us/Governance*" of the Company's intranet, including in the English version;
- the availability of the Model, of the Code of Ethics and of the Anti-Corruption Code of Leonardo Group to the whole staff, as well as the distribution of these documents to the new employees at the time they are employed in the firm, with a signature acknowledging reception and a commitment to know and respect the relevant provisions;
- the on-line course, permanently available, on the contents of the Decree, of the Model, of the Code of Ethics and of the Anti-Corruption Code of Leonardo Group;
- the update information on any changes to the Model, to the Code of Ethics or to the Anti-Corruption Code of Leonardo Group.

The training path shall be divided into the following steps:



- management and personnel with powers of representation of the Entity: initial training; occasional updating email; timely “classroom” training, following updates of the Model, the Code of Ethics or the Anti-Corruption Code of Leonardo Group;
- other personnel: full disclosure of information at the time of hiring; initial “e-learning” training course; occasional updating email; timely “e-learning” training, following updates of the Model, the Code of Ethics or the Anti-Corruption Code of Leonardo Group.

The participation in the training sessions, just as for the on-line course, is mandatory. The training is diversified according to the Internal Recipients to whom it is addressed and is repeated over time. The Organizational Unit competent on human resources and organization management shall monitor, with the Organizational Unit competent on compliance, that the training path is followed by the whole staff, included new employees.

Attendance to the training sessions shall be tracked by requesting a signature of attendance in the form provided and, for e-learning activities, through the certificate of use of the names of the individuals involved, available on the specific IT platform.

In the event of significant amendments to the Model, to the Code of Ethics or to the Anti-Corruption Code of the Leonardo Group, training sessions shall be held, where the Surveillance Body considers insufficient the mere circulation of the amendment in the manners stated above, given the complexity of the topic.

### 3.2 INFORMATION TO THE THIRD PARTY RECIPIENTS

Telespazio promotes the knowledge of and compliance with the Model, the Code of Ethics and the Anti-Corruption Code of Leonardo Group also among its commercial and financial partners, consultants, suppliers, contractors of works and services, and third parties in general of the Company.

TPZ shall insert, in the contracts with the aforementioned counterparties specific clauses which provide for the termination of contractual obligations in the event of a breach of the ethical principles established in the above mentioned documents.



## **4. DISCIPLINARY SYSTEM AND MEASURES IN THE EVENT OF NON-COMPLIANCE TO THE PROVISIONS OF THE MODEL**

### 4.1 GENERAL PRINCIPLES

The development of a sanctions system capable of addressing the violations to the provisions of the Model is essential in order to ensure the effectiveness of the Model itself.

On this behalf, in fact, the articles 6 paragraph 2, letter e) and 7, paragraph 4, letter b), of the Decree provides that the organizational and management Models must introduce a disciplinary system capable of sanctioning any failure to comply with the measures indicated in them.

For the purposes of the disciplinary system, and in compliance with the terms of collectively negotiated labour agreements, any conduct carried out in breach of the Model is punishable. Because the Model includes the whole internal regulatory system, which is an integral part thereof, there follows that "in breach of the Model" shall also mean in breach of one or more principles or rules defined within the corporate documents forming the regulatory system (see par. 1.6).

The application of disciplinary measures must be independent on the starting and/or outcome of any criminal proceedings, insofar as Telespazio has adopted the rules of conduct provided by the Model in full autonomy and regardless of the type of offence determined by the violations to the Model itself.

In particular, it is possible to identify, by way of example and with no limitation, the following main types of violations:

- a) non-compliance to the Model, in case of violations aimed at the commission of a crime included in the Decree or there is a danger that the Company is held responsible according to the Decree;
- b) non-compliance to the Model, in case of violations related, in any way, to the crime risk areas or to the sensitive activities reported in the Special Parts of the Model;
- c) non-compliance to the Model, in case of violations related, in any way, to the crime risk areas identified as "instrumental" in the Special Parts of the Model;



- d) absence of the activities of documentation, conservation and control of the documents mentioned from the internal procedural rules, in order to hinder their transparency and verifiability;
- e) omissions in oversight by the hierarchical superiors on the conducts of their subordinates in order to verify the correct and effective application of the Model's provisions;
- f) unjustified non-participation by the Recipients to the training activities concerning the content of the Model and, more in general, of the Decree;
- g) violation and/or circumventions of the control system, carried out through the removal, destruction or alteration of the documentation provided from the internal procedural rules, or by precluding the control or access to information and documentation to the persons in charge, including the SB;
- h) any act, direct or indirect, of retaliation or discrimination, against the whistleblowers for reasons connected, directly or indirectly, with the report;
- i) reports which revealed to be unfounded, made with intent or gross negligence;
- j) violations of measures put in place to protect the whistleblower and the reported person;
- k) violation of the disclosure obligations to the SB (as described in paragraph "*Information flows to the Surveillance Body*").

The identification and application of penalties must take into account the principle of proportionality and adequacy compared to the contested violation. On this behalf, the following elements are significant:

- type of the alleged offence;
- factual circumstances in which the offence took place (time and means of the realization of the infraction);
- the overall behaviour of the worker;
- worker's job;
- the seriousness of the violation, taking also into account the subjective attitude of the offender (intentionality of the behaviour or negligence's, carelessness's and incompetence's degree, with regard of the likelihood of the event);



- the estimate of the damage or the danger, as a consequence of the infraction, for the Company;
- whether more than one violation is generated by the same conduct;
- whether more than one individual has committed the same violation;
- whether the author of the violation is a re-offender.

The sanctions divided by type of relationship between the subject and the Company and the related disciplinary procedure are shown below.

#### 4.2 MEASURES TOWARDS DIRECTORS AND STATUTORY AUDITORS

In the event of a violation of the Model by one or more Directors and/or Statutory Auditors of Telespazio, the Surevillance Body informs the Board of Directors and the board of Statutory Auditors, who based on their respective responsibilities, shall proceed to take one of the following measures depending on the seriousness of the violation and according to the powers provided by the law and/or the Articles of Association:

- statements contained in minutes of meetings;
- formal injunction;
- revocation of appointment;
- request of calling or calling of a Meeting whose agenda must include the adoption of adequate measures against the individuals responsible for the violation, including legal proceedings with the intent to assessing the responsibility of the Director and/or Statutory Auditor towards the Company and the redress of the damages which the company is suffering or has suffered.

Considering that Telespazio's Directors are appointed by the Meeting of the Shareholders of the Company, in the event of any infringements of the Model that could jeopardise the relationship of trust with a company's director or of serious reasons connected to the protection of the interest and/or image of the Company, the Meeting of the Shareholders shall be called to deliberate on the possible revocation of the appointment.



#### 4.3 MEASURES TOWARDS EMPLOYEES

Any employees' behaviour violating the rules of conduct provided for in the Model shall be defined as a "disciplinary offences", and shall be also considered significant for the Company's Disciplinary Code.

The disciplinary sanctions fall within those provided for by the Company's Disciplinary Code, according to the provisions outlined in Article 7 of the Italian Workers' Charter and in the specific applicable collective agreement.

The abstract categories of breaches describe the conducts subject to sanctions, for which is indicated the relevant disciplinary measures to be taken according to the principles of proportionality and adequacy, and taking into account as well the circumstances reported at the previous paragraph "*Disciplinary system and measures in the event of non-compliance to the provisions of the Model*".

##### 4.3.1 EXECUTIVES

If any executive, while carrying out his activities in risk areas, is in breach of any provisions of the Model or adopts a conduct which violates the provisions of such Model, appropriate measures will be taken against the aforementioned executive, in compliance with the provisions of the law and of the applicable collective agreements (National Collective Bargaining Employment Contract - Executives of Companies that produce goods and services).

In particular:

- where the violation of one or more provisions of the Model is as serious as to compromise the trusting relationship, thus preventing the possibility of any continuation, even temporary, of the employment, the executive shall be dismissed without notice;
- where the violation is considered mild but still serious enough to compromise irreparably the trusting relationship, the executive shall be dismissed for good reason, with notice.

##### 4.3.2 EMPLOYEES AND MIDDLE MANAGEMENT

In line with the provisions of the applicable collective laws:



- a) the worker who infringes the internal procedures as outlined in the Model or who, while carrying out activities in a risk area, adopts a conduct which is not compliant with the provisions of such Model, shall be subject to verbal warning, written admonition, fine or suspension from work and remuneration, depending on how serious the infringement is, as such conduct must be construed as a violation of employee's duties, which the National Collective Bargaining Employment Contract identifies as detrimental to the Company's morale and safety;
- b) the worker who, while carrying out activities in risk areas, commits a significant breach of the provisions of the Model, shall be subject to dismissal with notice, as such conduct shall be construed as a violation of a more serious nature than those identified under point a) above;
- c) the worker who, while carrying out activities in risk areas, adopts a conduct which is unequivocally aimed at the perpetration of an offence for which a sanction is provided for in the Decree or which is in violation of the provisions of the Model and such as to give rise against the Company any of the measures provided for in the Decree, shall be subject to dismissal without notice, as such conduct shall be construed as a very serious violation which causes serious ethical and/or material damage for the Company.

This document, for all the purposes of the law, shall supplement the Company's Disciplinary Code and is subject to publication and notification procedures pursuant to Article 7 of the Italian Workers' Charter.

#### 4.4 DISCIPLINARY MEASURES TOWARDS THIRD PARTY RECIPIENTS AND THE EXTERNAL MEMBERS OF THE SURVEILLANCE BODY

Any conduct adopted in the context of a contractual relationship by providers, consultants, contractors of works and services, commercial and financial partners, third parties in general, including the members of the Surveillance Body, in contrast with the lines of conduct identified in the Model, will cause a suspension or automatic termination of the contractual relationship, in application of the clauses that Telespazio includes in any agreement.

In the event that the violations are committed by workers employed through personnel-leasing agencies or through works or services procurement contract, the sanctions will be applied to the employee, after that the



violations committed by the same have been positively investigated, by its employer (personnel-leasing agency or contractor) and the proceedings may also result in action against the personnel-leasing agency or contractor itself. The Company, however, may simply ask, in accordance with the contractual agreements with the contractors and the personnel-leasing administrators, the replacement of workers who have committed the above mentioned violations.

#### 4.5 PROCEDURE FOR THE APPLICATION OF SANCTIONS

The process for the application of penalties after violations to the Model shall be divided into the phases described below, which differ in terms and methods for each category of Recipients:

- notice of violation sent to the individual concerned, as a condition of the sanction procedure;
- formulation of any justifications and counter-arguments with respect to the disputed facts, in written and / or oral form;
- determination and subsequent application of the sanction;
- any appeal against the disciplinary measure by the interested party and subsequent management thereof.

The process shall always start after the corporate bodies from time to time responsible for it and listed below receive communication through which reports the occurred breach of the Model.

##### 4.5.1 DISCIPLINARY PROCEEDINGS AGAINST DIRECTORS, STATUTORY AUDITORS AND MEMBERS OF THE SURVEILLANCE BODY

In the event of a violation of the Model by a Director who is not an employee of the Company, the Surveillance Body shall submit to the Chief Executive Officer, who subsequently forward it to the Board of Directors and the Board of Statutory Auditors, a report containing:

- the description of the charged conduct;
- the indication of the Model's provisions which have been violated;
- the personal details of the person who is responsible for the violation;



- any documents proving the violation and/or any other evidence;
- a proposal for the sanction deemed to be appropriate in the specific case.

Within ten days from acquisition of the report, the Board of Directors shall call the member pointed out to a meeting of the Board, which must be held within thirty days from reception of the report itself.

The convocation must:

- be in writing;
- specify the exact alleged conduct and the Model's provisions violated;
- contain potential documents proving the violation and/or the other elements which support the violation;
- contain the date of the meeting, specifying the right to produce any written or oral objections and/or comments. The notice must bear the signature of the Chairman and at least two members of the Board of Directors.

In occasion of the Meeting of the Board of Directors, which is opened to SB's members, shall include the audition of the concerned individual, the hearing of any comments submitted by the latter and any further assessments deemed to be appropriate.

The Board of Directors, on the basis of the elements acquired, shall determine the most suitable sanction, explaining the reasons for any disagreements with the proposal of sanction included in the report received.

The resolution of the Board of Directors and/or of the Shareholders' Meeting, as applicable, shall be communicated in writing by the Board of Directors to the concerned individual and to the SB, for the appropriate controls.

The above procedure is applied, once the necessary changes have been made, also when the Model is violated by the Managing Director. In this case, the SB will send the communication to the Chairman of the Board of Statutory Auditors who will start the disciplinary procedure.

When a Model's violation by a Director who is also an employee of the Company occurs, the disciplinary procedure shall be applied by the Board of Directors, taking into account the provisions of the relevant National Collective Bargaining Employment Contract.



When the above procedure results in a dismissal, the Board of Directors shall promptly call a Shareholders' Meeting for the approval of the revocation of the Director from his/her office.

In any case, the Board of Directors is entitled (even without dismissal of the Director and however pending the performing of the proceedings provided for at paragraph "*Disciplinary proceedings against employees*") to adopt any proper measure against the Director itself, providing adequate and prompt communication to the SB.

When a Model's violation by all members of the Board of Directors, the disciplinary procedure shall be applied by the Board of Statutory Auditors.

The above procedure shall be applied also when the Model is violated by a member of the Board of Statutory Auditors, to the extent allowed by the applicable laws. The procedure described above is applied, once the necessary changes have been made, even if the Model is violated by one or more members of the Sureveillance Body (integrated with the provisions referred to in the paragraph "*Disciplinary procedure against employees*" for internal members).

In this case, the report of the violation will be sent to the Chairman of the Board of Statutory Auditors, who will prepare the report and transmit it to the Board of Directors.

#### 4.5.2. DISCIPLINARY PROCEEDINGS AGAINST EMPLOYEES

##### A) Executives

The procedure for the assessment of offences committed by executives shall be carried out in compliance with the current provisions of the law as well as of any applicable collective labour agreements.

In particular, the SB or the Head of the Organizational Unit competent on human resources and organization management shall deliver to the Chief Executive Officer a report containing:

- the description of the alleged conduct;
- the indication of the Model's provisions which have been violated;
- the personal details of the individual responsible for the violation;



- any documents proving the violation and/or other evidence.

Within five days from acquisition of the above report, the Chief Executive Officer shall call the charged executive, through a notice of charges containing:

- the indication of the contested conduct and the object of the violation for the purposes of the Model, in accordance with the relevant National Collective Bargaining Employment Contract;
- the hearing date and the right of the concerned individual to formulate, even on that occasion, any written or oral considerations and /or justifications on the events, according to the timing provided for by the contractual law.

Subsequently, the Chief Executive Officer shall ascertain, with the Head of the Organizational Unit competent on human resources and organization management, the position of the individual charged with the violation, and the state of implementation of the relevant disciplinary measure.

In the event that the individual against whom the procedure has been initiated is a senior manager who has been granted with delegation authorities by the Board of Directors, and in the event, the enquiry proves his guilt according to the Decree, the following shall apply:

- the Board of Directors may decide whether to revoke the delegated authorities attributed on the basis of the nature of the office;
- the Chief Executive Officer may act to achieve a definition of the individual's position and implement the relevant disciplinary proceedings.

The proceedings to apply a sanction shall be communicated in writing to such individual, within six days from receipt of the justifications by the executive. Such term shall start from the date when the written justifications or, if later, the oral justifications, have been produced. Within the scope of the above detailed procedure, the Board of Directors of TPZ must be informed, in all the above situations, of the outcome of internal assessments and the penalty profile applied.

The SB, who received for information a copy of the sanction applied, shall verify its application. Without prejudice to the right of recourse to the judicial Authority, the executive, within thirty days from receipt of the written



dismissal notice, may apply to the Conciliation and Arbitration Board, as provided for in the applicable bargaining agreements.

In the event of the appointment of the above mentioned Board, any disciplinary sanction shall be suspended till the judgment of such body.

#### B) Employees and middle management

The procedure for application of the sanction to workers and middle management shall be carried out in compliance with the provisions of Article 7 of the Workers' Charter, of the applicable National Collective Labor Agreement for Workers and of the Company's Disciplinary Code.

In particular, the SB or the Head of the Organizational Unit competent on human resources and organization management shall transmit to the Chief Executive Officer a report containing:

- the personal details of the person who is responsible for the violation;
- the description of the alleged conduct;
- the indication of the Model's provisions which have been violated;
- any documents and elements supporting the charges.

The Company, through the Head of the Organizational Unit competent on human resources and organization management, within ten days from acquisition of the report, shall send the employee a notice of charges in writing pursuant to Article 7 of the Workers' Charter, containing:

- the precise indication of the alleged conduct;
- the Model's provisions which have been violated;
- the communication of the right to submit written comments and/or justifications within five days from receiving the notice, and to request the assistance of a representative of the union to which the employee adheres or gives mandate.

Following any counter-arguments put forward by the concerned employee, the Head of the Organizational Unit competent on human resources and organization management, upon consultation with the Chief Executive Officer, shall take measures for the application of the sanction, establishing the extent thereof.



The disciplinary measures must be applied within six days from the receipt of any justifications. The above measures must also be communicated to the SB, which verifies the actual application of the sanction imposed.

Without prejudice to the possible initiation of legal proceedings, the employee may request the formation of a Conciliation and Arbitration Panel, in the twenty days after receipt of the disciplinary notice, with the suspension of the sanction till the final decision.

The above described procedure also provides that the Board of Directors of TPZ must be informed of the outcome of internal controls and of the sanctioning profile applied to the employees.

#### 4.5.3. DISCIPLINARY PROCEEDINGS AGAINST THIRD PARTY RECIPIENTS

In order to adopt the measures provided for in the contractual clauses referred to in paragraph "*Disciplinary measures towards Third Party Recipients and the external members of the Surveillance Body*", the SB or the Head Organizational Unit / Line of Business which manages the contractual relationship, shall communicate to the Chief Executive Officer, a report containing:

- the personal details of the person who is responsible for the violation;
- the description of the alleged conduct;
- the indication of the Model's provisions which have been violated;
- any documents and elements supporting the charges.

The aforementioned report, in the event that the contract was approved by resolution of the Board of Directors of TPZ, must be also sent to it and the Board of Statutory Auditors.

The Head of the Organizational Unit / Line of Business which manages the contractual relationship, in agreement with the Organizational Unit competent on legal matters and based on any determinations in the meantime taken by the Chief Executive Officer, the Board of Directors or the Board of Statutory Auditors, where applicable, shall send to the concerned individual a written communication containing details of the alleged conduct, potential documents which support the notice, the Model's provisions violated and details of the specific contractual clauses which are requested to be applied.



As part of the process described above, it is expected that the Board of Directors and the SB of TPZ are informed of the outcome of internal controls and of the penalties from time to time applied.

## **5. UPDATE AND REVIEW OF THE MODEL**

The Board of Directors of Telespazio, for the purposes of Article 6 of the Decree, shall supervise the update and the review of the Model.

The Board of Directors shall entrust the Organizational Unit competent on compliance with the responsibility of overseeing the update of the Model and drawing up and updating elements of the same, in connection with the other competent structures.

With the intent of maintaining a Model effective and valid over time, the following types of events may be taken into consideration, by merely being considered as examples, for the purposes of the update and review of the Model:

- new legislation affecting the provisions on the entities liability for administrative offences connected to a crime;
- interpretations of case law and prevailing doctrine;
- the finding of deficiencies and/or gaps and/or significant violations of the Model provisions following the effectiveness assessments thereof;
- significant changes to the organizational structure or to the Company's business sectors;
- considerations arising from the application of the Model, including the results of updates of the "historical analysis" (such as, for example, the experiences coming from penal proceedings, results from SB activities or from internal audit activities).