

TBS CREW S.R.L.

ORGANISATION, MANAGEMENT AND CONTROL MODEL
under Legislative Decree 231 of 8 June 2001

TBS CREW S.R.L.

GENERAL PART

**of the ORGANISATION, MANAGEMENT AND CONTROL MODEL
under Legislative Decree 231 of 8 June 2001**

Approved by the Sole Director of TBS Crew S.r.l.

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1. PREAMBLE

This Organisation, Management and Control Model contains a consistent system of principles, values, guidelines, operational indications and ethical rules that have always been fundamental and indispensable for TBS CREW S.r.l., since its establishment and start of operations, in the conduct of all corporate activities, and must be strictly complied with by the members of its corporate bodies and management, its employees, as well as all those who operate, even de facto, for TBS CREW S.r.l., including third parties such as, without limitation, collaborators, consultants, etc.

In fact, TBS CREW S.r.l. believes that the need to respect (and ensure that anyone who collaborates with it respects) the highest ethical and transparency standards is paramount over any commercial need.

TBS CREW S.r.l., therefore, requires all those who have and intend to have legal relationships with it to adopt conduct that complies with the provisions of this Model and is in line with the ethical principles contained therein.

Account has also been taken, in drafting and updating the Model, of the "Guidelines for the construction of organisation, management and control models under Legislative Decree 231/2001" drawn up by Confindustria, as well as the case-law and literature formed over time on the matter. moreover, the Model is also based on the principles and provisions of the Code of Ethics of the TBS CREW S.r.l., which forms an integral part of this Model.

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2. DEFINITIONS

In order to better understand this document, the definitions of the most important recurring terms are specified:

- **Risk Areas:** the areas of activity of the Company within which the risk of commission of the Offences, as identified in the Special Part of the Model, is more real.
- **CCNL:** the National Collective Labour Agreement applied by the Company.
- **Code of Ethics:** the code of ethics adopted by the Company and approved by the Managing Body of TBS CREW S.r.l..
- **Consultants:** persons acting in the name and/or on behalf of the Company pursuant to a mandate or other contract of professional collaboration.
- **Legislative Decree 231/2001 or the Decree:** Legislative Decree 231 of 8 June 2001 and subsequent amendments and additions.
- **Recipients:** Company Representatives and External Parties.
- **Employees:** individuals having an employment relationship with the Company, including managers, and those who, regardless of the type of contract, carry out work with the Company.
- **Entities:** companies, consortia and other entities subject to the Decree.
- **Company Representatives:** directors, auditors (if any), liquidators (if any), general manager and Company Employees.
- **Persons in charge of a public service:** under Article 358 of the Italian Criminal Code, *"persons in charge of a public service are those who provide a public service in any capacity. Public service means an activity regulated in the same ways as a public function, but characterised by the lack of the powers typical of the latter, and excluding the performance of simple routine tasks and the provision of merely material work"*.

- **Guidelines:** the "*Guidelines for the construction of organisation, management and control models under Article 6, third paragraph, Legislative Decree 231/01*", approved by Confindustria on 7 March 2002 and subsequently updated.
- **Model:** this Organisation, Management and Control Model, which contains the provisions adopted by TBS Italia S.r.l. in compliance with Legislative Decree 231/2001 and subsequent amendments.
- **Corporate Bodies:** the Administrative Body and its members, as well as any other corporate bodies that may be established, e.g. Board of Auditors, and their members.
- **Supervisory Body or SB:** the internal control body responsible for supervising the operation of and compliance with the Model as well as its updating.
- **Public Administration or "PA":** the State (including government, territorial, local, sectoral agencies, such as government bodies, regulatory authorities, regions, provinces, municipalities, constituencies) and/or all public bodies and entities (and in cases determined by law or functions, private entities that in any case perform a public function, such as concessionaires, public law bodies, contracting authorities, mixed public-private companies) that carry out activities in pursuit of public interests. This definition includes the Public Administration of Foreign States and of the European Union as well as, always in relation to Crimes against the Public Administration, those assigned to or in charge of a public service (through concession or otherwise) or carrying out a public function and/or public officials. In this context, moreover, (i) public service includes, among others, activities carried out, by concession or agreement, in the general interest and subject to the supervision of public authorities, activities relating to the protection of or relating to life, health, social security, education, etc. (ii) public function includes, among others, activities regulated by public law, including legislative, administrative and judicial functions.
- **Public Official:** as provided for by article 357 of the Italian Criminal Code, "*for the purposes of the criminal law, public officials are those who exercise a public legislative, judicial or administrative function. For the same purposes, an administrative function is a public function governed by rules of public law and authoritative acts and characterised by the formation and expression of the will of the public administration or by its performance by means of authoritative or certifying powers*".
- **Offences:** the offences included in the list of offences that are relevant for the purposes of Legislative Decree 231/2001 on the administrative liability of Entities.
- **Reference Manager or Manager:** the Corporate Representative of the Company who has been entrusted with responsibility or is responsible under organisational arrangements (whether individually or jointly with other persons) for specific functions and activities.
- **TBS:** TBS CREW S.r.l.
- **Company:** TBS CREW S.r.l.
- **External Parties:** all third parties (freelance or contract workers, professionals, consultants, agents, distributors, suppliers, commercial partners, etc.) who act on behalf of the Company under a contract and within the limits of its terms.
- **TUF:** Legislative Decree 58 of 24 February 1998 and subsequent additions and amendments.
- **Talents:** influencers, singers, actors, and, more generally, artists for whom TBS carries out talent management activities, as well as having acquired the right, by virtue of specific contracts signed with them, regarding their image, name and/or stage name for advertising, promotion and any other form of use permitted by law.

3. ITALIAN LEGISLATIVE DECREE NO 231/2001

3.1 ADMINISTRATIVE LIABILITY OF LEGAL PERSONS RESULTING FROM A CRIME

Legislative Decree 231 of 8 June 2001 *"governing the administrative liability of legal persons, companies and associations, even without legal personality"* (the "**Decree**" or "**Legislative Decree 231/2001**") was issued in implementation of the delegation under Article 11 of Law 300 of 29 September 2000, in the context of adapting internal legislation to certain international conventions (Brussels Convention of 26 July 1995 on the protection of the financial interests of the European Community; Brussels Convention of 26 May 1996 on combating corruption involving public officials of the European Community and of Member States; OECD Convention of 17 December 1997 on combating corruption of foreign public officials in international economic transactions), to which Italy had adhered in order to combat certain illicit behaviour.

The Decree introduced into the Italian legal system a regime of administrative liability for Entities resulting from certain crimes, exhaustively listed, when committed by their representatives in the interest or to the advantage of the Entities themselves. This responsibility is added to the criminal responsibility of the natural person who committed the crime. In the intention of the legislator, for a crime that occurs in a complex organization, the liability of the individual who committed the crime is accompanied – under certain conditions – by the liability of the same organisation. However, as will be seen better further on, the latter may be exempt from liability if it has set up a system of procedures and controls aimed at preventing and combating internally the commission of wrongdoing.

For this liability to apply it is first necessary (objective attribution criterion) that:

- a) a so-called underlying crime is committed in the interest or to the advantage of the Entity;
- b) the crime was committed by one of the following qualified individuals:
 - by natural persons who hold representative, administrative, managerial or controlling roles (even de facto) of the Entity or of organisational areas with financial and functional autonomy, or who carry out, even de facto, the management and control of the Entity (so-called "**senior managers**");
 - by natural persons subject to the direction or supervision of the above-mentioned persons (so-called "**subordinates**").

If the interest is completely lacking, because the qualified individual acted in his or her exclusive interest or that of third parties, the entity cannot be held liable. On the contrary, if an interest of the entity - even if partial or marginal - exists, the offence resulting from a crime exists even if no advantage has materialised for the entity itself, which may at most benefit from a reduction in the amount of the fine.

The liability of the Entity is additional to and independent of that of the natural person who materially committed the offence: such liability exists, in fact, even when the offender has not been identified or cannot be prosecuted, or when the offence is extinguished for a reason other than amnesty.

It is important to point out that Legislative Decree 231/2001 has not introduced new types of crime with respect to those previously existing for natural persons, but has extended the relevant liability, for the cases and according to the specific rules laid down therein, also to the Entities to which those natural persons are functionally referable.

The basis of such liability consists, in extreme synthesis, in the so-called "organisational fault" on the part of the Entity, a further and crucial criterion of attribution with respect to those listed above (subjective attribution criterion). The Entity is in fact held liable for the administrative offence depending on a Crime committed by one of its representatives, if it has failed to set up an organisation capable of effectively preventing its commission (or in any case significantly

reducing the possibility thereof) and, in particular, if it has failed to equip itself with an internal control system and adequate procedures for carrying out the activities at greatest risk of commission of Crimes (for example, in the context of contracting with the Public Administration) provided for by the Decree.

The liability of the Entity, as will be seen better further on, is essentially assumed when the wrongdoing is committed by a natural person who holds a top position or a position of responsibility; consequently, the burden falls on the Entity to prove that it was not involved, in that the act committed is extraneous to company policy.

Conversely, the liability of the Entity must be proved by the public prosecution in the event that the person who committed the crime does not hold a top position within the company's organisation; the burden of proof therefore falls, as is the common rule in the criminal system, on the prosecution, which must therefore prove the existence of organisational or supervisory deficiencies that may lead to joint liability on the part of the top management.

Recipients of the Decree

The recipients of the Decree are legal persons, companies and associations, even without legal personality. The broad formulation chosen by the legislator includes joint-stock companies and partnerships, cooperatives, foundations, consortia with external activities.

However, the State, regional and local authorities, other non-economic public bodies and bodies with constitutional functions (for example political parties, trade unions, etc.) are not subject to the Decree.

The crimes

The crimes that involve the liability of the Entity are exhaustively indicated by the legislator, and are subject to frequent and periodic modifications and additions by the same legislator over time; therefore, a constant verification of the adequacy of the system of rules forming the organisation, management and control model required by the Decree and functional to the prevention of such crimes is necessary.

It is important to point out, moreover, that crimes committed abroad may also lead to liability under the Decree.

Given that the scope of application of the administrative liability of Entities seems destined to be further expanded, at present the crimes that are relevant in this respect can be grouped as follows (for a more in-depth description of each of them, please refer to the Annex List of Offences):

- **Crimes in relations with the Public Administration (Articles 24 and 25 of the Decree);**
- **Computer crimes and unlawful data processing (Article 24-bis of the Decree);**
- **Organised crime (Article 24-ter of the Decree);**
- **Transnational crimes (extension of the Decree through the introduction of Law 146 of 16 March 2006 Article 10);**
- **Forgery of coins, public tender, tax stamps and distinctive signs (Article 25-bis of the Decree);**
- **Crimes against industry and commerce (Article 25-bis.1 of the Decree);**
- **Corporate crimes (Article 25-ter of the Decree);**
- **Corruption between private entities (Article 25-ter (1) (s-bis) of the Decree);**
- **Crimes for purposes of terrorism or subversion of the democratic order provided for by the criminal code and special laws and crimes committed in violation of the provisions of Article 2 of the International**

Convention for the Suppression of the Financing of Terrorism, done in New York on 9.12.1999 (art. 25-quater of the Decree);

- Female genital mutilation (Article 25-quater.1 of the Decree);
- Crimes against the individual (Article 25-quinquies of the Decree);
- Market abuse (Article 25-sexies of the Decree);
- Manslaughter and serious or very serious unintentional injury, committed with violation of the rules for the protection of health and safety at work (Article 25-septies of the Decree);
- Receiving stolen goods, money laundering, use of money, goods or benefits of unlawful origin, as well as self-laundering (Article 25-octies of the Decree);
- Crimes relating to payment instruments other than cash and fraudulent transfer of securities (Article 25-octies.1 of the Decree);
- Copyright infringement (Article 25-novies of the Decree);
- Incitement not to make statements or to make false statements to the judicial authority (Article 25-decies of the Decree);
- Environmental offences (Article 25-undecies of the Decree);
- Employment of illegally staying third-country nationals (Article 25-duodecies of the Decree);25-duodecies of the Decree);
- Racism and xenophobia (Article 25-terdecies of the Decree);
- Fraud in sporting competitions, unlawful gaming or betting and gambling by means of prohibited devices (Article 25-quaterdecies of the Decree);
- Tax offences (Article 25-quinquiesdecies of the Decree);
- Smuggling offences (Article 25-sexiesdecies of the Decree);
- Crimes against cultural heritage (Article 25-septiesdecies of the Decree);
- Illicit trafficking in cultural goods and devastation and looting of cultural and landscape assets (Article 25-duodevicies of the Decree);
- Failure to comply with bans (Article 23 of the Decree).

The sanctions

The penalty system provided for the Entities by the Decree is complex and varied, as it includes fines, disqualifications, a reputational sanction and finally the confiscation of the price or profit of the crime.

The **fines** applicable under the Decree are determined based on a system of quotas. For each offence, in fact, the law determines a minimum and maximum number of quotas in the abstract; the number of quotas can never be less than one hundred and more than one thousand and the amount of each quota varies between a minimum of approximately 258 euros to a maximum of approximately 1549 euros. On the basis of these coordinates, the judge, having ascertained the liability of the entity, determines the fine applicable in the specific case.

The number of quotas is determined by the judge on the basis of the severity of the offence, the degree of responsibility of the entity, and the activity possibly carried out to remedy the consequences of the crime committed and to prevent

others. The amount of each quota, on the other hand, is set on the basis of the financial and equity situation of the entity, in order to ensure the effectiveness of the sanction.

In the cases provided for by law, the criminal judge can apply **disqualifications**, which can be particularly afflictive since they affect the very activity of the entity.

To this end, it is first necessary that a legal provision expressly provides for the possibility of imposing a disqualification following the actual commission of an underlying crime.

It is also necessary that the crime committed by a top manager has brought about a significant profit for the organisation, or the crime committed by a subordinate has been determined or facilitated by serious organisational shortcomings or that there has been a repetition of the offences.

disqualifications may consist of:

- a) disqualification from exercising the activity;
- b) suspension or revocation of those authorisations, licences or concessions that were used to commit the offence;
- c) ban on contracting with the public administration, except to obtain the performance of a public service;
- d) exclusion from facilities, funding, contributions and subsidies and/or possible revocation of those already granted;
- e) ban on advertising goods or services.

In cases where the interruption of the Entity's activity could have significant repercussions on employment and/or cause serious harm to the community (for entities that perform a public service or a service of public necessity), the judge may order, instead of the ban, the continuation of the activity by a commissioner.

Under certain conditions, disqualifications may be applied as precautionary measures during the proceedings.

The **publication of the sentence** in one or more newspapers, in extract or in full, may be ordered by the Judge, together with the posting in the municipality where the Entity has its registered office, when a disqualification is applied. The publication is made by the registry of the competent court and at the expense of the Entity.

A conviction always entails the **confiscation** (even of an equivalent amount) of the price or profit deriving from the crime committed (except for the part that can be returned to the injured party).

When it is not possible to confiscate directly the assets directly constituting the price or profit of the crime, the confiscation may concern sums of money, goods, or other properties of equivalent value to the price or profit of the crime.

the seizure of items which, constituting the price or profit of the crime or their monetary equivalent, are susceptible to confiscation may be ordered as an interim measure.

Attempted offences

The scope of application of the penalty system under Legislative Decree 231/2001 includes the cases where the crime is just attempted (Article 26 of the Decree). In fact, the company's liability may exist even if the underlying crime takes the form of an attempt (Article 26 of the aforementioned Decree), that is to say when the perpetrator carries out acts that are unequivocally suitable for committing the crime and the action is not carried out or the event does not occur (Article 56 of the Italian Criminal Code).

In this case, the fines and disqualifications are reduced by one third to one half. Moreover, the entity is not liable when it voluntarily prevents completion of the action or the occurrence of the event.

3.2 THE ROLE OF THE ORGANISATION MODEL IN THE 231 SYSTEM

As seen above, objective and subjective attribution criteria govern the application of the 231 sanctions described. The crime must first be committed by senior or subordinate individuals in the interest or to the advantage of the entity, an objective attribution criterion. At the level of subjective attribution, however, the heart of Legislative Decree 231/2001 is the aforementioned organisational fault: the entity can be punished if it has not actively structured an anti-crime organisation. Conversely, in the presence of an adequate and effective organisation, management and control model ("**Model**"), the sanctions described above cannot be applied.

More in detail, the subjective imputation process follows different paths depending on whether the author of the crime was a senior manager or a subordinate.

Specifically, in the event of a crime committed by a senior manager, the entity is not liable if it proves that (pursuant to Article 6, paragraph 1, Legislative Decree 231/2001):

- a. the management body adopted and effectively implemented, before the commission of the offence, organisation and management models suitable to prevent crimes of the nature of that occurred;
- b. the task of supervising the operation and effectiveness of and compliance with the models as well as ensuring their updating has been entrusted to a body of the entity with autonomous powers of initiative and control (so-called "**Supervisory Body**" or "**SB**");
- c. the natural persons committed the crime by circumventing the organisational and management models;
- d. there was no lack or inadequacy of the supervision by the Supervisory Board mentioned in letter b) above.

The same Decree outlines the content of the organisation and management models, providing that they must meet - in relation to the extension of the delegated powers and the risk of commission of crimes - the following requirements (see below for the further essential requirement represented by the so-called whistleblowing):

1. identify activities, in the context of which underlying crimes may be committed;
2. prepare specific protocols aimed at planning the formation and implementation of the company's decisions in relation to the offences to be prevented;
3. identify the ways of managing financial resources that are suitable to preventing such offences;
4. impose reporting obligations on the body appointed to supervise the functioning and observance of the organisation model;
5. introduce a disciplinary system suitable for sanctioning non-compliance with the measures indicated in the organisation model.

Pursuant to Article 7, paragraph 1 of the Decree, in the case of a crime committed by individuals subject to the direction of others, the entity is not liable if it proves that no failure to comply with the obligations of direction or supervision contributed to the commission of the crime.

In any case, any liability is excluded if the entity, before the commission of the crime, has adopted and effectively implemented an organisation, management and control model suitable for preventing crimes of the type that occurred (Article 7, paragraph 2 of the Decree).

Adopting the Model is optional and not mandatory. Therefore, any failure to adopt is not punished per se, but it exposes the Entity to liability for administrative offences deriving from any crimes committed by senior managers or subordinates. The adoption of a suitable Model and its effective implementation are therefore essential in order to benefit from this sort of "shield", i.e., as an essential prerequisite to benefit from the exemption provided by the legislator.

In addition to the preventive and exonerating function it has when it is adopted before the commission of the crime explained above, if adopted after the commission of the crime, the Model fulfils a remedial and restorative function which may result in various forms of mitigation of the sanctions (see, inter alia, Articles 12, 17, 49, 50 of Legislative Decree 231/2001).

It is also important to take into account that the Model is not to be understood as a static tool, but, on the contrary, as a dynamic apparatus that allows the Entity to eliminate, through a proper and targeted implementation over time, any shortcomings that, at the time of its creation, it was not possible to identify.

The adoption of the Model must necessarily be completed by its effective and concrete implementation and by its updating and development aimed at maintaining compliance with the law and promptly discovering risk situations, taking into account the type of activity carried out as well as the nature and size of the organisation. Indeed, the effective implementation of the Model requires regular training activities, as well as periodic verification and modification of the same if significant violations of legal provisions are detected or if significant changes occur in the organisation; the existence of an appropriate disciplinary system is also relevant.

It should be noted that the Company Model was prepared also taking inspiration from the Guidelines drawn up by Confindustria. It is however important to point out that the Guidelines are not binding and that the Models prepared by the Entities may deviate (without this affecting their effectiveness) by virtue of the need to adapt to individual organisational realities.

4. THE ORGANISATION AND INTERNAL CONTROL SYSTEM

4.1 THE GENERAL PRINCIPLES

The general principles that inspire the Company in the preparation of its organisation and internal control system are reported below.

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Responsibilities must be defined and duly distributed, avoiding functional overlaps or operational allocations that concentrate critical activities on a single subject.

No significant operation (in qualitative-quantitative terms), within each area, can be originated/activated without authorisation.

The powers of representation must be conferred according to areas of exercise and amount limits strictly connected to the tasks assigned and the organisational structure.

Operating procedures, service orders and information systems must be consistent with Company policies and the Code of Ethics.

In particular, financial information must be prepared:

- in compliance with applicable laws and regulations, as well as accounting principles;
- in accordance with applicable procedures;
- within a complete and up-to-date chart of accounts.

Control principles and schemes

Without prejudice to the provisions of the relevant Sections of the Special Part of the Model, the principles to be followed in the specific procedures aimed at preventing the commission of Offences are set out below.

The procedures must ensure compliance with the following control elements:

- traceability: it must be possible to reconstruct the formation of the documents and information/documentary sources used to support the activity carried out, as a guarantee of the transparency of the choices made; for each operation there must be adequate documentary support, on the basis of which checks can be conducted at any time to certify the characteristics and reasons of the operation and identify who authorised, carried out, recorded and verified the operation;
- segregation of duties: those who make or implement decisions must be different from those who must provide accounting evidence of the operations decided upon and those who are required to carry out the controls on the same as required by law and by the procedures contemplated by the internal control system; furthermore:
- Nobody may be attributed unlimited powers;
- Powers and responsibilities must be clearly defined and known within the organisation;
- signature powers and authorisation powers: there must be formalised rules for the exercise of signature powers and internal authorisation powers;
- storage/keeping of documents: documents relating to the activity must be stored and kept, by the competent department, in a manner that does not allow for subsequent modification, unless specifically indicated;

- documentation of controls: the control system must include a reporting system (possibly through the drafting of records) suitable for documenting the implementation and results of controls, including supervisory controls.

4.2 GENERAL CONTROL OBJECTIVES

In order to reasonably prevent the commission of Offences, the Company has identified the following general control objectives, which the Company's structures are required to pursue through the adoption of procedures, operating instructions and other operating tools. The Sections of the Special Part of the Model identify the specific control objectives that the Company sets in the context of each business process.

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- Operational processes must be defined by providing adequate documentary/system support to ensure that they are always verifiable in terms of appropriateness, consistency and responsibility.
- Operational choices must be traceable in terms of characteristics and reasons and those who authorised, carried out and verified the individual activities must be identifiable.
- The exchange of information between adjacent phases/processes must include mechanisms (reconciliations, balancing, etc.) to ensure the integrity and completeness of the data managed.
- Human resources must be selected, hired and managed according to criteria of transparency and in accordance with ethical values and in compliance with laws and regulations.
- The knowledge and professional skills available in the Departments must be periodically analysed in terms of their consistency with the assigned objectives.
- Personnel must be trained for the performance of the assigned duties.
- Goods and services for business operations must be acquired based on needs analysis and from selected and monitored sources.
- Relationships with third parties, and in particular with the Public Administration, must be held by authorised and identifiable persons, according to transparency criteria and in compliance with current laws.
- Administrative and management information systems must be oriented towards integration and standardisation.
- Security mechanisms must ensure protection and physical and/or logical access to data and assets of the various structures, following the criteria of skills, functions and operational needs.
- The control system is subject to continuous supervision and periodic evaluation.

4.3 OBJECTIVES AND STRUCTURE OF THE TBS ORGANISATION MODEL

TBS Crew S.r.l. ('**TBS**' or the '**Company**') is an Italian company engaged in talent management and commercial promotion activities through its Talents' social channels, or on its Instagram page and its website <https://www.theblondesalad.com/tbs-crew/> and, more generally, in direct sales and licensing of advertising space on the Internet, as well as in consultancy activities in the field of fashion and marketing and in publishing activities.

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The Company, which pays particular attention to compliance issues, in order to always guarantee conditions of fairness and transparency in ethical and regulatory terms, has adopted an Organisation and Management Model capable of preventing the commission of the crimes provided for by the Decree.

Considering the regulatory context in which it operates, as well as the system of controls to which it is subject, in defining its "Organisation, management and control model" the Company has adopted a design approach under which the current rules can be used and integrated into this Model, thus forming, together with the Code of Ethics, an organic *corpus* of internal rules and principles, aimed at spreading a culture of ethics, fairness and legality.

The Company has deemed it appropriate to adopt a specific Model pursuant to the Decree in the belief that this, in addition to being a valid tool for raising awareness among all those who act in the name and operate on behalf or in the interest of the Company, is also a more effective means for preventing the risk of commission of the crimes listed in the relevant legislation and pursuing the continuous improvement of its compliance system.

In particular, through the adoption and constant updating of the Model, the Company intends to pursue the following main objectives:

- specifically identify the so-called "sensitive activities", i.e. those within which, by their nature, the crimes under the Decree may be committed;
- determine the general principles of behaviour, as well as the specific procedures and protocols applying to each company department;
- make aware all those who act in the name and operate on behalf or in the interest of the Company (directors, Company staff, external collaborators, partners, etc.), that in the event of violation of the provisions laid down in this matter, they may incur disciplinary and/or contractual consequences, as well as criminal and administrative sanctions that may be imposed on them;
- reiterate that any form of illicit conduct is strongly condemned by the Company, since even if the Company were apparently in a position to benefit from it, or if it were carried out in its interest, such conduct is in any case contrary not only to the provisions of the law, but also to the ethical principles to which the Company intends to adhere in the exercise of its business activity;
- encourage adequate record-keeping and traceability of relevant transactions;
- avoid concentrating the management of an entire process on a single person within the organisation;
- identify the processes for managing and controlling financial resources;
- establish a system of disciplinary sanctions applicable in case of violation of the provisions contained in the Model in line with the Workers' Statute and the National Collective Labour Agreement;
- assign to the Supervisory Body the task of supervising the operation of and compliance with the Model and of proposing its updating if there have been significant violations of the provisions or organisational changes or changes in the Company's activities;
- provide adequate training to Company Representatives (including Employees) and Recipients in general, regarding the activities included in the Risk Areas (which may involve the risk of commission of Offences) and the penalties that may derive for them or for the Company as a result of the violation of laws or internal provisions of the Company;
- spread and affirm a corporate culture based on legality, with the express disapproval by the Company of any behaviour contrary to the law or internal provisions and, in particular, to the provisions contained in this Model;
- spread a culture of control, which must preside over the achievement of the objectives that the Company sets for itself over time;

- provide for an efficient and balanced organisation of the company, with particular attention to the formation of decisions and their transparency, to preventive and subsequent controls, as well as to internal and external information;
- prevent the risk, through the adoption of specific procedural principles aimed at regulating the formation and correct implementation of corporate decisions in relation to the crimes to be prevented.

The adoption of the Model was preceded by an activity of identification of the risk areas (so-called "*risk assessment*") on the basis of the provisions of the Decree and the indications given in the "*Guidelines for the construction of organisation, management and control models under Legislative Decree 231/2001*" prepared by Confindustria. The aim of this activity was to carry out a preliminary mapping of the company departments and related activities exposed to the risk of crime and consider the actions to implement to address the critical issues that emerged.

In particular, the activity carried out had, among other things, the objective of analysing the current situation from the point of view of existing systems and procedures (so-called "*As is Analysis*") and identify the related critical issues (so-called "*Gap Analysis*") in order to update the organisational system where deemed appropriate.

In preparing this Model, current legislation, procedures and control systems existing and already operating within the Company have therefore been taken into account as they are already partly suitable for reducing the risks of commission of crimes and illicit behaviour in general, including those listed in the Decree.

The Model is made up of a General Part and a Special Part, the latter in turn divided into different sections, referring to the different company processes relevant in relation to the risk of commission of the Offences.

4.4 RISK MAPPING

Article 6 of the Decree provides for an analysis of the activities carried out within the Company in order to identify those which, pursuant to the Decree, can be considered at risk of wrongdoing.

Therefore, at first the areas at "risk of crime" or "sensitive" areas have been identified, as required by the legislation in question.

In order to determine the aspects of potential risk for the Company, pursuant to the provisions of the Decree:

- the corporate structure and the activities carried out were analysed, after identifying them through the study of the current organisational provisions;
- interviews were conducted with representatives of the main company departments;
- each activity at risk for the purposes of the Decree was identified.

The phase of mapping of the risk activities made it possible to identify the risk areas and the sensitive activities most exposed to the crimes listed in the Decree. At the end of the above process, a "*Risk Assessment & Gap Analysis*" grid was compiled.

The risk assessment was carried out through individual interviews with the so-called *process owners*, as well as through the examination of relevant internal documents and the company organisation chart, with the aim of identifying:

1. business processes abstractly at risk of committing crimes;
2. the specific activities, for each identified process, in which one or more wrongdoings may be committed;
3. the department within which this activity takes place;
4. the crimes potentially associated with each risk activity;
5. the controls existing within the identified activities.

Risk assessment

We then proceeded to assess the risk, identifying for each activity at risk:

- a) the so-called **inherent risk**, understood as a level of risk abstractly linked to each company activity, regardless of the existence of measures to mitigate such risk;
- b) the **effectiveness of the control system** in preventing risks abstractly present in the identified processes;
- c) the so-called **residual risk**, that is the level of risk determined by taking into account the mitigating effect of the existing control system.

In this regard, the level of inherent risk has been identified on the basis of the following quantitative indicators:

- a) **probability**, understood as the frequency with which a given activity is performed in the Company's business, according to the following scale:

SCALE	CLASSIFICATION	DESCRIPTION
1	Low / occasional frequency	the activity is carried out in exceptional circumstances, not on a regular basis
2	Average / periodic frequency	the activity is carried out at predefined or determinable intervals
3	High frequency / continuous	the activity is performed constantly / with significant frequency

- b) **impact**, understood as the severity of the consequences in the event of the commission of one of the relevant crimes connected to the activity in question:

SCALE	CLASSIFICATION	DESCRIPTION
1	Low	Fine of up to 500 quotas
2	Medium	Fine exceeding 500 quotas
3	High	Disqualification

These quantitative indices have been weighted, where necessary, by a qualitative assessment relating to the severity of the inherent risk.

The inherent risk is therefore determined according to the following scheme:

INHERENT RISK MATRIX				
PROBABILITY	IMPACT			
		1	2	3
	1	LOW RISK	LOW RISK	LOW RISK

	2	LOW RISK	MEDIUM RISK	MEDIUM RISK
	3	LOW RISK	MEDIUM RISK	HIGH RISK

Downstream of the inherent risk, **the overall effectiveness of the control system** in place for each risk activity considered in mitigating the relevant inherent risks was assessed, taking into account:

- the compliance of the process with established best practices;
- the existence of written procedures, manuals or directives aimed at regulating the activity in question;
- the existence of IT tools or other automatic activity control instruments;
- the existence and level of segregation of duties within the process;
- the existence of formalised powers and first-level controls within the process.

Based on the evaluation of the above parameters, the overall effectiveness of the control system for each relevant activity was classified as **low, medium or high**.

The level of so-called **residual risk** was determined starting from the inherent risk identified as above and considering the mitigating effect of the existing control system, according to the following scheme:

RESIDUAL RISK MATRIX				
		EFFECTIVENESS OF THE CONTROL SYSTEM		
		High	Medium	Low
INHERENT RISK	Low	LOW RISK	LOW RISK	LOW RISK
	Medium	LOW RISK	MEDIUM RISK	MEDIUM RISK
	High	LOW RISK	MEDIUM RISK	HIGH RISK

Gap Analysis and Risk Control

On the basis of the risk assessment as described above and, in particular, of the effectiveness of the existing control system compared to the best practices in the sector, the Company has identified areas for possible further improvement and immediately implemented the necessary measures and adopted adequate control plans for the management of residual risks, as well as a process of continuous improvement of the control system, which may be subject to regular verification by the Supervisory Body, with a view to a periodic review of the level of residual risk as a result of the constant improvement of the effectiveness of the control system.

5. ADOPTION OF THE MODEL

5.1 ADOPTION AND IMPLEMENTATION OF THE MODEL

This document is "*an act issued by the governing body*" in compliance with the provisions of the Decree, therefore its adoption, the amendments that will occur and the responsibility for its actual implementation are entrusted to the Administrative Body of the Company.

5.2 THE RECIPIENTS OF THE MODEL

The Model and the provisions contained and referred to therein must be respected by the following persons (so-called "**Recipients**"), as defined in chapter 2 above:

- Company Representatives
- External Parties

With regard to External Parties, compliance with the Model is guaranteed by the inclusion of a contractual clause under which the contracting party agrees to comply with the principles of the TBS Code of Ethics and the Model adopted by the Company, and to report any information on wrongdoings or breaches of the Code or the Model (see paragraph 6 below).

5.3 UPDATING THE MODEL

The Model is required to be updated in the following cases:

- introduction of relevant legislative innovations;
- significant breaches of the Model and/or results of checks on its effectiveness or experiences in the public domain in the sector;
- significant organisational changes in the corporate structure or in the Company's business sectors.

Updates must be carried out in a cyclical and continuous manner and the task of formally arranging and implementing the update or adaptation of the Model is vested in the Administrative Body, with the collaboration of the Supervisory Body.

More specifically:

- the Supervisory Body communicates to the Administrative Body any information it has, which may determine the opportunity to proceed with interventions to update the Model;
- the update program is prepared by the Company, in agreement with the Supervisory Body and with the contribution of the relevant corporate departments;
- The Supervisory Body monitors the implementation of the actions ordered and informs the Administrative Body of the outcome of the activities.

The amendments and additions are the responsibility of the Administrative Body of the Company.

Changes concerning the implementation protocols of the Model (e.g. procedures) are adopted directly by the company departments involved, possibly after consulting the Supervisory Body, which can express an opinion and make proposals in this regard.

6. THE SUPERVISORY BODY (SB)

6.1 ESTABLISHMENT

Pursuant to Article 6, paragraph 1, letter b) of Legislative Decree 231/2001, the Company, by a resolution of the Administrative Body, has established a Supervisory Body (the "**SB**"), entrusted with the task of supervising the operation of and compliance with the Model and ensuring its updating.

The Supervisory Body has, pursuant to Article 6, paragraph 1, letter b), of Legislative Decree 231/2001, "*autonomous powers of initiative and control*".

The Supervisory Body operates with suitable autonomy and reports to the Administrative Body (and/or other Corporate Bodies), with the support of those corporate departments that may from time to time be of help for its activity.

6.2 APPOINTMENT AND REQUIREMENTS

The SB remains in office for three years and its members can be confirmed in office upon expiry of their mandate.

In accordance with the Guidelines, the Company's SB may consist of one or more members, as decided by the Company's Administrative Body. In the case of a single-member body, the role must be covered by a person external to the Company and the Group. If the Company opts for a multi-member body, the majority of members must be chosen from among persons external to the Company and the Group.

The SB as a whole, whether it is a single-member or a multi-member body, must meet the following requirements:

- autonomy and independence: absence of operational tasks, third-party position with respect to the persons and bodies to be supervised;
- professionalism: technical-professional skills appropriate to the duties to be performed;
- continuity of action: possibility of constantly monitoring compliance with the Model and verifying its effectiveness and efficiency.

Moreover, each member of the Supervisory Body must meet the integrity and independence requirements. In particular, the following cannot be appointed as members of the Supervisory Body:

1. those who have been convicted, even if with a sentence that is not final or that has been conditionally suspended, or a sentence issued pursuant to articles 444 et seq. of the Italian Code of Criminal Procedure, subject to the effects of rehabilitation:
 - to imprisonment for a term of not less than one year for one of the crimes provided for by Royal Decree 267 of 16 March 1942;
 - to imprisonment for not less than one year, for an offence under the laws on banking, financial, securities and insurance activities and under the laws on markets, securities and payment instruments;
 - to imprisonment for not less than one year for an offence against the Public Administration, against public faith, against property, against the public economy or for a tax offence;
 - to imprisonment for not less than two years, for any intentional crime;
 - for any of the offences in Title XI of Book V of the Civil Code as amended by Legislative Decree 61/2002 and, lastly, by law 69/2015;

- for an offence that carries or has carried disqualification, even temporary, from public offices or temporary disqualification from managerial positions in legal persons and companies;
 - for any of the crimes or administrative offences referred to in the Decree, even with lower sentences than those indicated in the previous points;
2. those who have been the recipients of an order of referral to trial for one of the crimes or administrative offences referred to in the Decree;
 3. those who have been subjected to preventive measures under Law no. 1423 of 27 December 1956 or of law no. 575 of 31 May 1965 and subsequent amendments and additions, subject to the effects of rehabilitation;
 4. pursuant to Legislative Decree 159 of 6 September 2011, "Code of anti-mafia laws and preventive measures, as well as new provisions on anti-mafia documentation";
 5. the directors of the Company or of other companies of the Group and those who are in any of the situations referred to in Article 2399 of the Italian Civil Code.

Candidates for the position of members of the Supervisory Body must self-certify that they are not in any of the conditions of ineligibility indicated above, and expressly undertake to communicate any changes to the content of such declarations.

6.3 REVOCATION

The Administrative Body of the Company may revoke the members of the Supervisory Body only for just cause.

The following are just causes for revocation:

- significant non-performance regarding their assignment, in relation to the tasks indicated in the Model, including any breach of confidentiality obligations with regard to information acquired by virtue of the assignment and negligence in pursuing the control and updating activities relating to the Model;
- unjustified absence from three or more meetings of the Supervisory Body, even if not consecutive;
- when the Administrative Body becomes aware of the aforementioned causes of ineligibility, prior to the appointment as a member of the Supervisory Body and not indicated in the self-certification;
- when the causes of forfeiture specified below occur.

6.4 FORFEITURE AND WITHDRAWAL

The members of the Supervisory Body automatically lose their position if, following their appointment, they find themselves in any of the situations of ineligibility indicated above.

The members of the Supervisory Body may withdraw from their assignment at any time, upon at least two months' notice, without having to provide any reason.

6.5 FINANCIAL ENDOWMENT OF THE SB

The SB is provided with an adequate financial budget – decided annually by the Administrative Body – which it can use to carry out its duties; in the event of extraordinary needs that require additional financial resources, the SB will submit a specific request to the Administrative Body.

The members of the Supervisory Body must be suitably remunerated and the Administrative Body will establish their annual compensation.

6.6 TASKS AND RESPONSIBILITIES

In general terms, the SB carries out two types of activities aimed at reasonably reducing the risks of commission of crimes:

- ensure that the Recipients of the Model, specifically identified on the basis of the different types of crime and the relevant processes identified, comply with the provisions contained therein;
- ensure that the Recipients of the Model, specifically identified on the basis of the different types of crime and the relevant processes identified, comply with the provisions contained therein;

ensure that the Recipients of the Model, specifically identified on the basis of the different types of crime and the relevant processes identified, comply with the provisions contained therein;

From an operational point of view, the SB has the task of:

- taking regular actions, on the basis of an annual or multi-year programme drawn up by the same Supervisory Body, aimed at verifying the Model's requirements, and in particular monitoring:
 - a. that the procedures and controls it provides are applied and documented in a compliant manner;
 - b. that ethical principles are respected;
 - c. the adequacy and effectiveness of the Model in preventing crimes relevant to the purposes of the Decree;
- reporting any shortcomings/inadequacies of the Model in the prevention of crimes relevant under the Decree and verify that management implements corrective measures;
- suggesting appropriate verification procedures, always keeping in mind that the responsibility for controlling activities lies with management;
- initiating internal investigations if a violation of the Model or the commission of crimes is detected or suspected, as provided for in paragraph 8 below;
- carrying out monitoring activities and sample checks;
- promoting initiatives to spread knowledge and effective understanding of the Model among the Recipients, ensuring the preparation of internal documentation (instructions, clarifications, updates) or specific training seminars, necessary for the Model to be understood and applied, as provided for in paragraph 7 below;
- coordinating with the managers of the various company departments to control activities in the risk areas and discuss with them all issues relating to the implementation of the Model (e.g. definition of standard clauses for contracts, organisation of courses for staff, new relationships with the Public Administration, etc.);
- suggesting appropriate updates to the Model, taking into account subsequent regulations and organisational changes in the Company;
- requesting periodic updating of the risk map, and verifying its actual updating through periodic targeted checks on activities at risk of crime. To this end, the Supervisory Body must receive notification from management and those responsible for control activities of any situations that may expose the Company to the risk of crime;
- collecting, processing and storing all relevant information received on compliance with the Model.

collecting, processing and storing all relevant information received on compliance with the Model.

- To carry out its duties properly, the Supervisory Body must:
- have free access, without the need for any prior consent, to people and to all company documentation (documents and data), as well as the possibility of acquiring relevant data and information (financial, patrimonial, economic operations and all those operations that more generally concern the management of the company) from the responsible persons; to this end, the Supervisory Body may request from the various company structures, including top management, all information deemed necessary for the performance of its activities;
- issue a regulation governing the calendar of activities and the methods relating to meetings and information management;
- meet at least four times a year and whenever it deems it necessary or urgent; the meetings will be minuted and copies of the minutes will be kept by the Supervisory Body.

6.7 REPORTING TO CORPORATE BODIES

The Supervisory Body prepares a report, at least every six months, for the Administrative Body regarding the application and effectiveness of the Model, indicating the controls carried out and their outcomes.

Furthermore, the Supervisory Body – prior to the Shareholders' Meeting for the approval of the Financial Statement – prepares a report addressed to the Administrative Body and also submitted to the attention of the shareholder, containing:

- a summary of all the activities carried out during the year, of the checks and verifications performed;
- any possible update of the Model;
- other significant topics;
- annual plan of activities for the following year.

The Administrative Body has the right to convene the Supervisory Body at any time to report on its activities and ask to confer with it.

The Supervisory Body may in turn request to be heard by the Administrative Body of the Company, whenever it deems it appropriate to promptly report violations of the Model or request attention to critical issues relating to the operation of and compliance with the Model.

6.8 COMMUNICATIONS TO THE SB (INFORMATION FLOWS)

In order to allow the Supervisory Body to monitor the adequacy and functioning of the Model, a communication system has been implemented between the Company and the Supervisory Body covering all sensitive areas, as identified in the Special Part.

The purpose of the communication system towards the Supervisory Body is to allow it to constantly acquire relevant information on all sensitive areas.

6.8.1 Information flows

The purpose of the information flow system implemented by the Company is to create a structured, continuous and widespread communication system between those responsible for potentially risky activities and the Supervisory Body.

The information flows consists of communications and/or documents sent to the SB according to specific timeframes and methods.

Information flows are divided into:

- **Periodic information flows** to be completed and sent to the SB at specified intervals (quarterly, half-yearly or annually);
- **Event-based information flows** to be compiled and sent to the SB when certain events occur.

For details of the formalised flows, both periodic and event-based, please refer to the relevant paragraphs within the Chapters of the Special Part.

In addition to the formalised flows indicated in the Special Part, all Recipients are required to transmit/report to the Supervisory Body:

- internal reports showing any responsibilities for crimes relevant under the Decree or facts, events or omissions even if only potentially connected to types of crime relevant under the Decree;
- visits, inspections and assessments initiated by the competent bodies and their outcome;
- measures and/or information originating from judicial police bodies or any other authority, revealing the conduct of investigations, even against unknown persons, for any of the crimes under the Decree;
- requests for legal assistance submitted by directors, managers and/or employees against whom the Judiciary is proceeding for any of the crimes under the Decree;
- information relating to disciplinary proceedings (relating to the Model) carried out and any sanctions imposed or the dismissal of such proceedings with the relative reasons;
- information on the evolution of activities relating to the risk areas identified by the Model and/or on changes to the company organisation;
- requests for legal assistance submitted by directors, managers and/or employees against whom the Judiciary is proceeding for any of the crimes under the Decree;
- information relating to disciplinary proceedings (relating to the Model) carried out and any sanctions imposed or the dismissal of such proceedings with the relative reasons;
- information on the evolution of activities relating to the risk areas identified by the Model and/or on changes to the company organisation;
- information relating to safety management and the status of implementation of the actions planned;
- upon request, copies of the minutes of the Administrative Body;
- the organisational charts and the system of delegations of powers and signature in force and any changes relating to it;
- certification of attendance at training courses by all Recipients of the Model.

any information concerning violations of the behaviour and operational methods provided for in the Model, and more generally any act, fact or event or omission concerning any critical issues that have emerged with regard to compliance and correct implementation of the Model.

6.9 INFORMATION RELATING TO CHANGES IN THE INTERNAL STRUCTURE OF THE COMPANY

All information, notification, flow, reporting provided for in the Model is stored by the Supervisory Body in a specific electronic and/or paper archive, in compliance with the confidentiality obligations under Legislative Decree 196/2003 as amended and supplemented, without prejudice to the compliance by the SB of the reporting obligations under the Model.

7. REPORTS (SO-CALLED WHISTLEBLOWING) AND RELATED ASSESSMENT PROCEDURE

On 15 March 2023, Legislative Decree no. 24 of 19 March 2023 was published in the Official Journal. The decree was issued in implementation of Directive (EU) 2019/1937 of the European Parliament and of the Council of 23 October 2019 on the protection of persons reporting breaches of Union law and laying down provisions on the protection of persons reporting breaches of national legislation, which has lastly amended the rules on whistleblowing reports, previously governed by Law no. 179 of 30 November 2017.

The mentioned Legislative Decree 24/2023 has, among other things, expanded the protection granted to the persons who make reports, extending it also to other categories of persons; it has also regulated reporting channels and methods, providing, among other things, for the implementation of reporting channels, which guarantee, also through the use of encryption tools, that the identity of the reporting person, of the person involved and of the person mentioned in the report, as well as of the content of the report and the related documentation are kept confidential, and the possibility of making reports both in written form, including by computer, and in oral form.

The Company, in compliance with the provisions of Legislative Decree 24/2023, has therefore defined a specific whistleblowing procedure aimed to define the appropriate communication channels for receiving, analysing and processing reports of possible illicit behaviour within TBS.

7.1 SUBJECT AND CONTENT OF REPORTS

Recipients are encouraged to indicate information in their reports, including well-founded suspicions, regarding actual or potential violations that have occurred or that very likely could occur, within the Company's organisation and that concern behaviour that:

- is not in line with the Code of Ethics, the Model and the procedural documentation adopted by the Company;
- does not comply with the laws in force in the territory in which the Company operates (both at national and EU level);
- could significantly harm the interests of the Company.

The report, sufficiently detailed and based on precise factual elements, must provide, to the extent possible, the following information, together with any supporting documentation:

- a clear and full description of the conduct, including any omission, to be reported;
- The circumstances of time and place in which the reported facts were committed and the relating conduct;
- personal details or other information (e.g. qualification held, relevant Department/Area) that allow the identification of the author of the reported facts;
- any third parties involved or potentially harmed;
- indication of any other persons who can give information on the facts being reported;
- Any other information that may provide useful substantiation of the existence of the reported facts.

Reports made for the sole purpose of retaliation or intimidation, or unfounded reports made with wilful misconduct or gross negligence will be punished. Reports must not concern personal complaints and must not be used for merely personal purposes.

7.2 INTERNAL REPORTING CHANNELS AND RECIPIENTS

Reports may be submitted through:

- 1) IT platform available on the Company's website (www.theblondesalad.com) or at the following link <https://tbscrew.secure-blowing.com/en/#/landing-page>;

or orally, through:

- 2) the recorded voice messaging system available on the aforementioned IT platform.

Alternatively, upon request of the whistleblower, the report may be made orally through a face-to-face meeting with the Whistleblowing Officer, which may be requested through the aforementioned IT platform and that must be scheduled within 45 days from the request. The utmost confidentiality of the meeting will be guaranteed.

The Company has entrusted the task of managing the internal reporting channel to the company **Moti-f S.r.l.**, as an autonomous, external entity with specifically trained personnel. The conduct of the investigation may require the involvement of the competent corporate Functions/Facilities/Bodies and/or the collaboration of external third parties, while complying with the confidentiality obligations required by law.

7.3 ASSESSMENT PROCEDURE

Within seven days of receiving the report, the Whistleblowing Officer provides feedback to the whistle-blower regarding the fact that the report is being handled. Within three months of the date of the acknowledgement of receipt of the report (or, in the absence of such acknowledgement, within three months of the expiry of the seven-day period from the submission of the report), the same must be provided with feedback regarding the outcome of the investigation carried out in relation to the report.

The Whistleblowing Officer will first verify the relevance and apparent validity of the information, possibly with the assistance of an external legal consultant, bound by a commitment to confidentiality regarding the activities carried out.

The Whistleblowing Officer will then record the report using an identification code/name, ensuring traceability and correct storage of the documentation even at subsequent stages.

The Whistleblowing Officer classifies reports into:

- **Irrelevant reports:** in this case the Whistleblowing Officer will inform the whistle-blower, directing him/her to other company departments if necessary to address the issues raised, and will dismiss the report;
- **Reports in bad faith:** the Whistleblowing Officer will transmit the report to the Legal and Administration & Finance team, to consider initiating a possible disciplinary procedure;
- **Detailed reports:** if the Whistleblowing Officer believes that there are sufficient indications of potentially relevant conduct to allow for the initiation of an investigation, he/she begins the investigation phase.

The assessment phase consists in carrying out targeted checks on the reports, which allow the identification, analysis and evaluation of the elements confirming the validity of the reported facts. To this end, the Whistleblowing Officer may carry out any activity deemed appropriate, including personally hearing the whistle-blower and any other persons who may be able to give information on the reported facts.

The reported person may be heard, or, at his or her request, will be heard, including through the acquisition of written observations and documents.

The Whistleblowing Officer in carrying out the audit:

- must ensure full compliance with confidentiality requirements;
- must ensure that it is conducted fairly and impartially; this means that any person involved in the investigation may be informed – once the inquiry has been completed – of the statements made and the evidence obtained against him/her and that he/she must be put in a position to rebut;
- may be supported by technical consultants (such as, for example, external professionals or internal specialists of the Company) on matters that do not fall within its specific competence.

All information collected throughout the verification shall have to be handled with due discretion and kept within the verification team.

At the end of the checks, a report must be issued which must:

- summarise the investigation process;
- present the conclusions reached, providing any supporting documentation;
- provide recommendations and suggest actions to be taken to address any violations found and ensure that they do not occur in the future;
- be addressed to the Administrative Body of the Company.

The verification phase may end with:

- **negative outcome:** in this case the report is dismissed, following transmission of the above-mentioned summary report;
- **positive outcome:** in this case, the Whistleblowing Officer sends the outcome of the checks conducted to the Administrative Body, for the Company to adopt the necessary countermeasures and any disciplinary sanctions.

The Whistleblowing Officer will inform the Administrative Body on the status of the reports received, when the periodic reports are issued.

At the conclusion of the investigation, feedback must be provided to the whistle-blower, making sure that the content of such feedback does not prejudice any actions taken by the Company following the investigation and/or any ongoing investigations conducted by Public Authorities into the same facts.

7.4 PROTECTION OF THE WHISTLE-BLOWER'S CONFIDENTIALITY

The Company guarantees maximum **confidentiality** regarding the identity of the whistle-blower, the person involved and the persons otherwise indicated in the report, as well as the content of the report and the related documentation, using, to this end, criteria and methods of communication suitable for protecting the identity and honour of the reporting persons and of the persons mentioned in the reports, also in order to ensure that the reporting person is not subject to any form of retaliation and/or discrimination, avoiding in any case the communication of the data to third parties outside the process of managing the report.

7.5 PROHIBITION OF RETALIATION

It is strictly forbidden for any Recipient to take direct or indirect retaliatory or discriminatory actions against the whistle-blower for reasons connected, directly or indirectly, to the report.

By way of example, the following are considered forms of retaliation:

- dismissal, suspension or equivalent measures;
- demotion or failure to promote;
- change of duties, change of workplace, reduction of pay, change of working hours;
- suspension of training or any restriction of access to training;
- negative feedback or negative references;
- adoption of disciplinary measures or other sanctions, including fines;
- intimidation, harassment or ostracism;
- discrimination or otherwise unfavourable treatment;
- failure to convert a fixed-term employment contract into a permanent employment contract, when the worker had a legitimate expectation of such conversion;
- failure to renew or early termination of a fixed-term employment contract;
- damage, including to image, particularly on social media, or economic or financial damage, including loss of economic opportunities and income;
- improper listing on the basis of a formal or informal sectoral or industry agreement, which may result in the inability to find employment in the sector or industry in the future;
- early termination or cancellation of a contract for the supply of goods or services;
- cancellation of a licence or permit;
- a request to undergo psychiatric or medical examinations.

Whistle-blowers who believe they have suffered retaliatory conduct following any report may communicate to ANAC any form of retaliation they believe they have suffered (see the following paragraph. 7.7).

Actions taken in violation of the above prohibition are null and void. Whistle-blowers who have been fired as a result of a report have the right to be reinstated in their job and/or to obtain any protections afforded by applicable local law.

The Whistleblowing Officer has the duty to take all necessary precautions to ensure that this principle is respected, also ensuring the confidentiality of the identity of the whistle-blower, without prejudice to legal obligations and the protection of the rights of the Company or of the persons accused wrongly and/or in bad faith.

7.6 OTHER PROTECTED PERSONS

In addition to the protection afforded to the whistle-blower, the above protection measures will also be afforded to the following individuals/entities, referred to as "Other Protected Persons":

- facilitators (meaning those who assist the whistle-blower in the reporting process, operating in the same work context and whose assistance must be kept confidential);
- people who are in the same work context as the whistle-blower and who are linked to him by a stable emotional or family relationship within the fourth degree (for example, relatives);
- whistle-blower's colleagues who work in the same work context and have a regular and ongoing relationship with him;
- entities owned by the whistle-blower, as well as entities operating in the same business context as the whistle-blower;
- other persons, as specified in applicable local laws.

7.7 INFORMATION FLOWS

The Whistleblowing Officer provides a summary of reports received and for which an investigation has been opened, as well as a summary of reports received and deemed unfounded, indicating the investigations carried out and the reasons why the reports were deemed unfounded:

- on a quarterly basis, to the Supervisory Body of TBS;
- on a half-yearly basis, to the Administrative Body of TBS.

7.8 ANONYMOUS REPORTS

Anonymous reports are allowed. However, they limit the Company's ability to effectively verify the facts reported, as it is more difficult to establish an easy information channel with the whistle-blower. They will therefore be taken into consideration only if they are adequately detailed and circumstantial and concern potential illicit acts or irregularities assessed as serious.

Anonymous reports - which may be forwarded via the IT platform available in the “Whistleblowing” section of the Company’s website or available at the URL <https://tbscrew.secure-blowing.com/en/#/landing-page> will not be treated in the same way as the whistleblowing reports mentioned above. However, if the author, initially anonymous, subsequently reveals his or her identity, he or she will be afforded the protections provided with reference to the prohibition of retaliatory acts.

7.9 DISCIPLINARY SYSTEM (referral)

Failure to comply with the principles and rules on whistleblowing referred to in the paragraphs shall result in the application of the disciplinary system adopted by TBS, for which reference is made to the following chapter 9.

8. TRAINING, COMMUNICATION AND UPDATING

8.1 TRAINING

In order to effectively implement the Model, the Legal team, in coordination with the Supervisory Body, prepares, on the basis of the specific needs identified by the Supervisory Body, an annual training plan for directors, managers, employees and collaborators who operate directly within the Company's structure, as well as for contract workers.

In particular, the training will focus on, among other things, the Model as a whole, the Code of Ethics, the functioning of the Supervisory Body, the information flows towards the latter and the Disciplinary System, the Company's operating procedures relevant for the purposes of the Model, as well as issues concerning the crimes entailing liability pursuant to Legislative Decree 231/01.

The training will be shaped, where necessary, in order to provide its users with the appropriate tools to fully comply with the provisions of the Decree in relation to the scope of operations and the duties of the recipients of the training.

The training activity is differentiated, in content and delivery methods, based on the qualification of the recipients, the risk level of the area in which they operate, and whether or not they have representation functions of the Company.

The training activity is managed by the Legal team, in close cooperation with the SB.

When hiring employees and assigning the task to collaborators and agents, an information set must be provided in order to ensure that they have the primary knowledge considered essential for operating within the Company (see the following paragraphs).

The content of the courses must be previously agreed with the Supervisory Body which, to this end, within the scope of its own activity, may and must indicate the subjects and topics that it is appropriate to discuss and explore in depth or, in any case, which it is necessary to bring to the attention of the Company Representatives.

The Supervisory Body verifies, in agreement with the Legal team, that the training program is adequate and effectively implemented. Training initiatives can also be carried out remotely or through the use of IT systems.

Suitable communication tools, if necessary in addition to sending updates via email, will be adopted to update the Recipients about any changes made to the Model, as well as any relevant changes in procedures, regulations or organisation

Participation in the training is mandatory for all employees, collaborators and non-employee directors of the Company and is recorded by the Administration & Finance team who keeps track of it: repeated failure to participate without justified reason will be appropriately sanctioned.

The Model is formally communicated in the ways described below.

8.2 INTERNAL COMMUNICATION

Each director, manager, employee and collaborator of the Company is required to:

- i. acquire awareness of the contents of the Model;
- ii. know the operational ways in which their own activity is to be performed;
- iii. actively contribute, depending on their role and responsibilities, to the effective implementation of the Model, and report any deficiencies found in the same.

In order to ensure an effective and rational communication activity, the Company promotes and facilitates knowledge of the contents of the Model by Employees, with a diversified level of depth depending on the degree of involvement in sensitive activities, as identified in the Special Parts of the Model.

Information regarding the content of the Model is provided through:

- delivery or, in any case, making available the Model and its attachments, including the Code of Ethics, at the time of hiring/assigning the role, including electronically;
- information emails, also for the purpose of periodically sending updates to the Model.

The Administration & Finance team is responsible for disseminating the Model and its updates. In particular, this team is responsible for transmitting the documents to the recipients by e-mail and receives the relevant acknowledgement of receipt from each recipient through the same channel. The Supervisory Body verifies that the competent functions ensure the correct dissemination of the Model and its updates.

All directors, managers, employees and collaborators are required to complete a declaration in which they, having acknowledged the Model, undertake to observe its provisions

8.3 EXTERNAL COMMUNICATION

The adoption of the Model is also communicated and disseminated to External Parties.

The communication and the formal commitment by the aforementioned External Parties towards the Company to respect the principles of the Code of Ethics and of this Model are documented through specific declarations or contractual clauses duly submitted to and accepted by the counterparty.

In particular, all competent company functions must ensure that specific standard clauses are included in all contracts, for the following purposes:

- compliance by counterparties with the ethical and behavioural principles adopted by the Company;
- possibility for the Company to take control actions in order to verify compliance with the ethical and behavioural principles adopted by the Company;
- introduction of sanctions (termination of the contract) in the event of the commission of any of the crimes under Legislative Decree 231/2001 or violation of the ethical and behavioural principles adopted by the Company.

Contracts with external collaborators must contain a specific clause regulating the consequences of violation by them of the principles contained in the Code of Ethics and the Model.

The corporate structures that make use of External Parties or that are designated as Managers of the process in which the activity falls shall note the data and information that allow their behaviour to be known and evaluated, making them available, where requested, to the Supervisory Body for the purposes of its control activity.

External Parties must be made aware of the Code of Ethics (for example, through publication on the company website).

The Supervisory Body carries out a support activity for other company functions, when information relating to the Model must be provided outside the Company.

9. DISCIPLINARY SYSTEM

9.1 GENERAL PRINCIPLES

Article 6, paragraph 2, letter e) and Article 7, paragraph 4, letter b) of Legislative Decree 231/2001 establish (with reference to both senior managers and individuals under the direction of others) the necessity of *"a disciplinary system suitable for sanctioning failure to comply with the measures indicated in the model"*.

This is an essential aspect for the effectiveness of the Model and consists in the construction of an adequate sanctioning system for the violation of the rules of conduct and, in general, of internal procedures (disciplinary offence).

The only condition for the application of the disciplinary is the violation of any rules and provisions of the Model, including the provisions contained in the Code of Ethics, as well as the procedures, policies and internal regulations, in addition to the provisions of law, regulations and CCNL; therefore, it will be activated regardless of the commission of a crime and the outcome of the criminal proceedings possibly initiated by the competent judicial authority.

9.2 CRITERIA FOR THE APPLICATION OF SANCTIONS

In each case, the type and extent of specific sanctions will be applied in proportion to the seriousness of the non-compliance and, in any case, based on the general criteria described below:

- a. subjective element of the conduct, depending on whether it is intentional or unintentional (negligence, imprudence, incompetence);
- b. relevance of the obligations violated;
- c. relevance of the damage or degree of danger deriving to the Company from the possible application of the sanctions under Legislative Decree 231/2001;
- d. level of hierarchical and/or technical responsibility;
- e. presence of aggravating or mitigating circumstances with particular regard to previous work performance and disciplinary history;
- f. possible joint responsibility with other workers who contributed to determining the non-compliance.

If, with one act, several infractions are committed, punishable with different sanctions, the most severe sanction is applied.

9.3 SCOPE OF APPLICATION AND RELEVANT BEHAVIOURS

9.3.1 Company employees

Non-executive employees

Subject to the prior notice of charge and the procedure required by Article 7 of Italian Law 300 of 20 May 1970 (so-called Workers' Statute) - for the purposes of which this "disciplinary system" is also made available in a place and a manner accessible to all -, the disciplinary sanctions referred to below apply to Company (non-executive) employees for the following behaviour:

- a. retaliatory or discriminatory acts, direct or indirect, adopted against a person who made a report pursuant to paragraph 7 above, for reasons connected, directly or indirectly, to that report;
- b. reports made pursuant to paragraph 7 above with intent or gross negligence, which later prove to be unfounded

- c. failure, incomplete or untruthful representation of the activity carried out with regard to the methods of documentation, storage and control of the documents relating to the procedures in such a way as to prevent their transparency and verifiability;
- d. intentional violation and/or evasion of the control system put in place by means of removal, destruction or alteration of the documentation required by the procedure, or by preventing control or access to information and to documentation to those responsible for the same, including the Supervisory Body;
- e. failure to comply with the provisions contained in the Model, including those set out in the Code of Ethics;
- f. non-compliance with the provisions on signature powers and the system of delegations, especially in relation to the associated risks, including those linked to corporate crimes (especially the provisions relating to the methods of matching), with regard to deeds and documents towards the Public Administration and with regard to the powers connected to the sector of health and safety at work;
- g. failure to supervise the behaviour of the staff working within their sphere of responsibility in order to verify their actions within the areas at risk of committing crimes and, in any case, in performing activities crucial to operational processes at risk of crime;
- h. violation of the obligation to attend training courses (including health and safety courses) provided by the Company, in the absence of suitable justification;
- i. violation of regulations and internal company procedures requiring the adoption of safety and prevention measures;
- j. violation of the obligation to report to the Supervisory Body any violation of the Model of which they have become aware.

Executive employees

Subject to the prior notice of charge and the procedure required by Article 7 of law 300 of 20 May 1970 (so-called Workers' Statute) - for the purposes of which this "disciplinary system" is also posted in a place accessible to all - disciplinary sanctions are applied to Company (executive) employees for the behaviour referred to in letters a) to j) of the previous paragraph as well as the following additional specific behaviour:

- k. engaging, in the performance of their respective duties, in conduct that does not conform to conduct reasonably expected by a manager, in relation to the role held and the degree of autonomy granted;
- l. violation of the obligation to report to the Supervisory Body any anomalies or failure to comply with the Model, as well as any critical issues of which the manager has become aware relating to the performance of activities in the risk areas by the persons in charge.

Company Directors (and members of other Corporate Bodies)

The sanctions set out below apply to directors (and members of other corporate bodies) who engage in the following behaviour:

- a. failure to comply with the provisions contained in the Model and the Code of Ethics, or behaviour not appropriate to the Model;
- b. violation of the obligations of supervision and control over subordinates (in relation to members of the Board of Directors);
- c. delay in adopting measures following reports of violations of the Model received by the Supervisory Body.

Third parties

The measures set out below apply to third parties, meaning all those who have relationships with the Company in any capacity and other than employees and directors (for example, collaborators, external consultants, commercial and/or financial partners, suppliers), for the following behaviour:

- a. failure to comply with the provisions contained in the Code of Ethics and the provisions of the Model applicable to them;
- b. commission of offences that are relevant under Legislative Decree 231/2001.

9.4 PROCEDURE FOR DETERMINING VIOLATIONS AND APPLICATION OF SANCTIONS

Upon receiving notice of any violations of the Model that do not involve the Administrative Body, the Supervisory Body informs the Administrative Body, which will be required to activate the relevant disciplinary procedure, with the technical support of the competent company structures.

In the event that, following the checks and investigations carried out, a violation of the Model is ascertained, the Administrative Body or the Administration & Finance team will apply the sanctions provided for in the applicable national collective agreements to the author(s) of the violations, in compliance with the disciplinary regulation and also in compliance with the guarantees provided for by law and collective agreements.

In the event of violation of the Model by the Chair of the Administrative Body, the Supervisory Body will promptly inform the Company's corporate structure for the adoption of measures deemed appropriate.

In order to allow monitoring of the application of disciplinary sanctions to employees, the Legal team communicates to the Supervisory Body the application of such sanctions.

9.5 SANCTIONS

Sanctions against employees

Disciplinary sanctions shall be applicable to employees (including managers) who have carried out any behaviour described above in violation of the rules and principles set out in this Model, in compliance with the provisions:

- of Article 7 of Law 30 May 1970 - Workers' Statute and relevant additions and amendments;
- of the applicable articles of the Italian Civil Code (for example Article 2106 of the Code);
- of any other applicable special regulations;
- of the CCNL applied.

With reference to managers, without prejudice to the above and in compliance with the applicable legal and contractual requirements, the level of severity of the violation and the level of trust possibly remaining after the violation will be taken into consideration when assessing the type of sanction to be applied.

In particular, the disciplinary sanctions that may be imposed, in application of the criteria identified above, are the following:

- verbal reprimand: this sanction will be imposed in cases of less serious conduct by the employee, i.e. in cases of minor non-compliance with the Model and the obligations placed on the employee, which has not produced consequences having external relevance;
- written reprimand: this sanction will be imposed in cases of

- (i) repeat offences which have led to the sanction of a verbal warning, provided that it was imposed within the two years preceding the repeat offence;
 - (ii) minor non-compliance with the Model and with the obligations placed on the employee. which nevertheless produced consequences with external relevance;
- fine not exceeding four hours of hourly pay: this sanction will be imposed in cases of
 - (i) repeat offences which have led to the sanction of a written warning,
 - (ii) moderate non-compliance with the Model and the obligations placed on the employee;
- suspension from work and pay for up to ten days: this sanction will be imposed in cases of
 - (i) repeat offences which have led to the sanction of a fine, provided that it was imposed within the two years preceding the repeat offence;
 - (ii) serious non-compliance with the Model and the obligations placed on the employee;
 - (iii) serious procedural violations capable of exposing the Company to liability towards third parties;
- dismissal with notice: this sanction will be imposed in cases of
 - (i) repeat offences punished with suspension, provided that this sanction was imposed within the two years preceding the repeat offence;
 - (ii) serious failure to comply with the Model and with the obligations placed on the employee in relation to a proceeding in which the Public Administration is a party, serious failure to comply with a procedure aimed at preventing conduct constituting corporate crimes;
- dismissal without notice: this sanction will be imposed in cases of wilful violations of the Model and of the obligations placed on the employee; for example
 - (i) wilful violation of procedures having external relevance and/or fraudulent evasion carried out through conduct unequivocally aimed at committing an offence under Legislative Decree 231/2001, such as to undermine the relationship of trust with the employer
 - (ii) intentional violation and/or evasion of the control system through removal, destruction or alteration of the documentation required by the procedure, or by preventing control or access to information and to documentation to those responsible for the same, including the Supervisory Body,
 - (iii) omitted, incomplete or untrue documentation of the actions actually carried out, regarding methods of recording and storage of documents and procedures wilfully directed at preventing the transparency and verifiability of the same.

The Administration & Finance team is responsible for managing the formal and communication process relating to the imposition of sanctions pursuant to this Model.

The Legal team leader reports to the Supervisory Body regarding the application of disciplinary sanctions issued. The Supervisory Body monitors the application of disciplinary sanctions.

Measures against directors (and members of other corporate bodies)

The following sanctions shall apply to directors who have carried out any behaviour referred to in the preceding paragraphs in violation of the rules and principles derived from this Model:

- written reprimand in the event of minor violations of the Model or of the obligations of supervision and control over subordinates (in relation to members of the Board of Directors) or of a slight delay in adopting measures following reports of violations of the Model received by the Supervisory Body;

- in the case of members of the Administrative Body of the Company, revocation of the delegation and/or the position in the event of serious violations of the Model or of the obligations of supervision and control over subordinates or of serious delay in adopting measures following reports of violations of the Model received by the Supervisory Body;
- in the case of members of other Corporate Bodies, revocation of their position in the event of serious violations of the Model or serious delay in adopting measures following reports of violations of the Model received by the Supervisory Body.

in the case of members of other Corporate Bodies, revocation of their position in the event of serious violations of the Model or serious delay in adopting measures following reports of violations of the Model received by the Supervisory Body.

Violations committed by directors (or members of other Corporate Bodies) may also give rise to a liability action, in the presence of the conditions provided for by law.

Measures against third parties

The conducts referred to in the previous paragraphs by third parties as identified above will constitute a breach of the contractual obligation with the Company and may give rise, as provided for in the individual agreements, to the termination of the contractual relationship.

Violation of the provisions of the Model by third parties entails the prohibition of new contractual relationships with the Company for a period of two years, except for justified exceptions communicated by the Administrative Body to the Supervisory Body.