

Carboflotta Group

Organisation, management and control model
pursuant to L.D. no. 231 of June 30, 2001

Internal Disciplinary System

Release 01/2026

Preliminary remarks:

- Carbofin S.p.A., S.Ugo Immobiliare S.r.l., and Greenstar Shipmanagement S.r.l. form the Carboflotta shipowning group, with Carbofin S.p.A. serving as the Holding Company, holding 100% of the shares in its subsidiaries.
- Each company within the Carboflotta Group has its own independent organisational, operational, and financial structure, along with its own Organisation, Management, and Control Model, pursuant to Legislative Decree no. 231/2001.
- Each Company in the Group contributes to the achievement and development of the common business goal, based on its own resources, personnel, and unique characteristics.

For this reason, the Internal Disciplinary System adopted by the Holding Company, Carbofin S.p.A., to sanction conduct in breach of:

- the principles of the Code of Ethics;
- the rules of the Organisation and Management Model;
- applicable national, EU, and flag State laws,
- applicable regulations and conventions.

It mirrors the same structural, regulatory and sanctioning arrangements as the disciplinary systems adopted by the other Group companies in relation to unlawful conduct by their respective recipients.

Quality, Safety, Environmental Dpt.	RSQUI	Managing Director
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1. Introduction

Legislative Decree no. 231/2001 (Art. 6, paragraph 2, letter e) provides that, among the conditions required for the Organisation and Management Model to exempt the company from administrative liability, there must be an Internal Disciplinary System in place, suitable for sanctioning any non-compliance with the measures set out in the Model itself (and in the Corporate Code of Ethics), by:

- a) Individuals performing functions of representation, administration, or management of the entity or of one of its organisational units with financial and operational autonomy;
- b) Individuals performing, even de facto, management or control functions over the entity;
- c) Individuals under the direction or supervision of any of the persons referred to in the preceding points.

The importance of Internal Disciplinary System among the Models adopted pursuant to the Decree has also been confirmed by the Guidelines issued by the Trade Associations of the Entities (e.g. Confindustria, Confitarma, Federchimica, etc.). These Guidelines, with regard to the types of applicable sanctions, specify that any disciplinary measure imposed on employees must comply with the procedures set forth in Article 7 of Law no. 300/1970 ("Workers' Statute") and/or in specific regulatory provisions.

2. Features

This Internal Disciplinary System:

- has a predominantly internal nature to the Company;
- does not replace the laws or regulations in force, but rather supplements them and integrates with other internal corporate rules, including those of a disciplinary nature;
- is drawn up, in particular, in compliance with: the aforementioned Article 7 of Law no. 300/1970; the provisions on individual dismissals under Law no. 604/1966, as amended; Articles no. 2103, 2104, 2105, 2106, 2118 and 2119 of the Italian Civil Code; and the applicable National Collective Bargaining Agreements in force.

The disciplinary sanctions and procedures adopted are those set forth in the ***National Collective Bargaining Agreement for the Private Sector of the Shipping Industry*** (entered into by the Trade Unions and CONFITARMA on July 1, 2015, and most recently renewed in July 2024), under the following Sections:

- **2)** *"the signing of EU seafarers on board cargo ships registered in the Italian International Registry, owned by companies operating internationally";*
- **3)** *"Masters and Chief Engineers of cruise ships, cargo ships, and passenger/freight ferries over 3,000 GT, owned by Italian companies";*
- **13)** *"Collective Bargaining Agreement (CBA) for Non-Doms Italian International Register Vessels" for non-EU seafarers;*
- **15)** *"Shoreside staff, office staff and terminal staff of private shipping companies".*

With regard solely to non-EU seafarers employed through the ESA Manning Agent, the applicable agreement is the ***IBF Collective Bargaining Agreement (CBA)***.

For Filipino personnel only, the *Philippine Overseas Employment Administration (POEA)* also applies, which includes a list of punishable conduct and breaches, along with the corresponding disciplinary measures.

The initiation of disciplinary proceedings and the imposition of any sanctions provided in this Internal Disciplinary System shall be independent of the initiation and/or outcome of any criminal proceedings concerning the same conduct deemed relevant under the Disciplinary System.

The provisions of the Internal Disciplinary System do not prejudice the right of recipients of disciplinary sanctions to exercise all rights recognised by law or regulations, as well as by contractual arrangements (including collective bargaining agreements) and/or Company regulations, including the right to contest and oppose the measures and/or to request the establishment of an arbitral tribunal.

For all matters not covered by this Internal Disciplinary System, the applicable laws and regulations shall apply, along with the relevant provisions of individual and collective bargaining agreements, and company rules, where applicable.

The principles of this Internal Disciplinary System concerning recipients, breaches, sanctions and procedures are brought to the attention of shore-based staff and seafarers by posting them in a place accessible to all.

3. Recipients

The following individuals are subject to the provisions of this Internal Disciplinary System:

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- a) Directors, Statutory Auditors and External Auditors¹
- b) Managers and administrative staff
- c) Machine Commanders and Directors, including those employed through ESA Manning Agent
- d) Seafarers, including those employed through ESA Manning Agent
- e) Third party individuals²

4. Breaches

The following acts constitute breaches subject to sanction under this Internal Disciplinary System:

- a) Failure to comply with the principles of the Code of Ethics;
- b) Failure to comply with the standards, regulations, protocols and measures provided for in Company's Organisational Model;
- c) Failure to comply with the obligation to report to the Supervisory Board and/or to the direct line manager any conduct in breach of the Code of Ethics and the Model;
- d) Breach of the adopted Company procedures and of the statutory framework on so-called *Whistleblowing*, including:
 - retaliation, obstruction or attempted obstruction of reporting, or breach of the confidentiality obligation;
 - failure to establish a reporting channel, failure to adopt procedures for making and handling reports, or adoption of procedures that are not compliant with the applicable legal requirements;
 - failure to verify reports;
 - reports made in a defamatory manner or involving false accusations (including where established by a first-instance judgement) and/or, in civil law terms, on the same grounds, in cases of wilful misconduct or gross negligence.

In accordance with the constitutional principles of legality and proportionality of sanctions, breaches of the Code of Ethics and the Model, as well as of the procedures and the policy referred to above, shall be graded according to the following ascending order of severity:

- I. Breaches that do not directly expose the Company to the risk of personal liability due to the commission of an underlying offence**, because the conditions are insufficient to constitute such a crime. Those breaches should not be necessarily considered minor, also due to the possibility of recurrence. As a result, a degree of flexibility in the sanctions is permitted, depending on the specific circumstances of each case.
- II. Breaches that directly expose the Company to the risk of personal liability for the commission of an underlying offence**, as sufficient conditions exist to constitute such a crime, even if it has not been established by the competent authority.
For this category as well, there is a margin of variation in sanctions, depending on the severity of the breach and the possibility of recurrence.
- III. Breaches that result in the commission of an underlying offence, as established by the competent authority** — whether directly, indirectly, through a decisive contribution to its commission, or jointly with other parties. The most severe sanction is foreseen for this category, except in cases of exceptional circumstances to be evaluated on a case-by-case basis.

5. Sanctions

The sanctions imposed in case of infringements of the rules and of the constituent elements of the Organisational Model, in increasing order of severity, are as follows:

- a) Preserving the relationship with the Company

¹ External Auditors belonging to the auditing firm appointed by the Company to carry out accounting control activities, although not part of the Company, shall be treated — for the purposes of this Internal Disciplinary System — as equivalent to Directors and Statutory Auditors, in view of the services they perform for the Company.

² They are all those who, by virtue of the activities or functions carried out in the name and on behalf of the Company, are required to comply with the Code of Ethics and the Model.

This category includes, in particular:

- All those who entertain with the Company a non-subordinated work relationship (e.g., project workers, consultants, temporary workers);
- Collaborators of any kind;
- Representatives, agents and all those who act in the name and/or on behalf of the Company;
- Subjects to whom are assigned, or who in any case perform, specific functions and duties in the field of health and safety at work (e.g., the Occupational Health Physicians and, if outside the company, the persons in charge and the staff of the Department of Prevention and Protection);
- Contractors of trade agreements and partners.

The importance of extending the Disciplinary System to Third Parties also stems from the fact that the Company can be held liable for criminal offences if the activities carried out by them in the name and/or on behalf of the Company may have legal consequences, even through actions taken in its "interest" or for its "benefit," as required by Legislative Decree no. 231/01.

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- Verbal reprimand;
 - Written reminder and formal notice;
 - A fine not exceeding the equivalent of the maximum number of hours of the minimum monthly pay, as set out in the applicable National Collective Bargaining Agreement in force;
 - Temporary suspension from work and pay, up to the maximum duration specified in the applicable National Collective Bargaining Agreement;
 - Temporary suspension from office (for Directors, Statutory Auditors and External Auditors).
- b) Severing the relationship with the Company
- Dismissal for justified personal reason³;
 - Dismissal for just cause⁴;
 - Dismissal from office (for Directors, Statutory Auditors and External Auditors).
- The disciplinary measure must be justified and communicated in writing.
 - For disciplinary measures more severe than a verbal reprimand, the employee must first be served with a written notice of charge specifying the infringement committed.
 - Disciplinary measures more severe than a verbal reprimand may not be applied until five (5) days have elapsed from the date on which the written notice of the facts giving rise to the measure is served.
 - An employee who has been subjected to a disciplinary sanction may present their justifications, including orally, and may be assisted by a representative from the Trade Union to which they belong or one they designate. The employee may also request the establishment of a Conciliation and Arbitration Board through the Provincial Employment Office. In such cases, the sanction shall be suspended until a decision is made by the Board.

5.1 Criteria for the imposition of disciplinary sanctions

The identification and the imposition of sanctions must take into account the principles of proportionality and adequacy thereof with respect to the infringement charged.

In this respect, in a general way, the following elements will be relevant:

- Underlying offence to which attempted/actual infringement refers;
- Type of offending conduct contested;
- Mode of commission of the offending conduct;
- Severity of the offending conduct;
- Level of administrative, hierarchical and/or technical responsibility of the infringer;
- Subjective element of the conduct (distinction between negligence and wilful misconduct);
- Wilfulness (in case of wilful misconduct);
- Degree of negligence, incompetence or carelessness, with regard also to the predictability of the event (in case of negligence);
- Severity of the breached obligations;
- Economic, legal, and reputational consequences for the Company.

Aggravation or mitigation of the sanction

For the purposes of any aggravation or mitigation of the sanction, as a general rule, the following items will be considered:

- Special circumstances under which the unlawful conduct developed, with particular emphasis on professionalism and previous work experience of the concerned worker;
- Any previous disciplinary action against the concerned worker;
- Conduct immediately following the event, with particular reference to any voluntary remedial action;
- The potential commission of multiple breaches within the same conduct, in which case the aggravation will be based on the sanction for the most severe infringement;
- Possible complicity of multiple subjects in the perpetration of the breach;
- Potential recidivism or repeated occurrence of the misconduct.

Remarks:

- 1) Recidivism, i.e., the existence of previous disciplinary actions, which makes applicable sanctions progressively

³ This type of dismissal occurs where the employee engages in conduct that constitutes a disciplinary offence, but not of such seriousness as to justify dismissal for just cause, i.e. dismissal without notice.

⁴ Dismissal for just cause may be imposed by the employer where the employee engages in disciplinary misconduct so serious that it does not allow the continuation of the employment relationship, even on a temporary basis.

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more severe, may be:

- Isolated or generic in nature (imposition of sanctions for different types of violations)
 - Aggravated or specific in nature (imposition of sanctions for infringements of the same nature as previous ones)
- 2) In the event of recidivism, for the purpose of applying sanctions, the Company:
- May take into account the disciplinary measures applied in the previous two years (Law 300/1970, article 7, subsection 8);
 - Shall not take into account any breaches challenged in the previous two years that did not result in a disciplinary action;
 - Where repeated misconduct is involved, the notice of charge shall refer to the employee's recurrence by listing the previous instances in chronological order.
- 3) The application of any mitigating considerations related to the sanction shall not prejudice Company's right to take action against the responsible party in order to seek compensation for all damages suffered as a result of confirmed offending conduct.

5.2 Directors, Statutory Auditors and External Auditors

Sanctions against Directors, Statutory Auditors and External Auditors, following any of the infringements referred to in paragraph 5 of this Internal Disciplinary System — whether attempted or committed — may include, depending on the severity of the breach:

- a) Written reminder and formal notice;
- b) Temporary suspension from office;
- c) Dismissal from office.

Sanctions that may be imposed for confirmed breaches

- The sanction of a written warning and formal notice shall be applied to any Director, Statutory Auditor or External Auditor found responsible for any of the infringements referred to in paragraph 4.1;
- The sanction of temporary suspension or dismissal from office shall be applied to the Director, Statutory Auditor or External Auditor found responsible for any of the infringements referred to in paragraph 4.2;
- The sanction of dismissal from office shall be applied to the Director, Statutory Auditor or External Auditor found responsible for any of the infringements referred to in paragraph 4.3;
- Failure to comply with the obligation to report to the Supervisory Board conduct in breach of the Code of Ethics and the Model entails the sanction referred to in letters (a) or (b) above, depending on the seriousness of the unreported misconduct.

5.3 Managers and Administrative staff

Sanctions against Managers and Administrative staff, in relation to any of the infringements referred to in paragraph 5 of this Internal Disciplinary System, whether attempted or committed, may include the following measures, depending on the severity of the breach:

- a) Verbal reprimand;
- b) Written reprimand;
- c) Fine not exceeding the amount of three hours of wages;
- d) Suspension from work without pay for a period not exceeding 5 days;
- e) Dismissal for justified personal reason;
- f) Dismissal for just cause.

Sanctions that may be imposed for confirmed breaches

- The sanction of a verbal or written reprimand shall be applied to the employee found responsible for any of the infringements referred to in paragraph 4.1;
- The sanction of a fine or suspension from work without pay shall be applied to the employee found responsible for any of the infringements referred to in paragraph 4.2;
- The sanction of dismissal for a justified personal reason or just cause shall be applied to the employee found responsible for any of the infringements referred to in paragraph 4.3;
- Failure to comply with the obligation to report to the Supervisory Board and/or to the direct line manager conduct in breach of the Code of Ethics and the Model entails the sanction referred to in letters (a) or (b) above, depending on the seriousness of the unreported misconduct.

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5.4 Masters and Chief Engineers

The sanctions that may be imposed on Masters and Chief Engineers, whether on board or ashore, following an attempted or actual breach, are:

- a) Verbal reprimand;
- b) Written reprimand;
- c) Fine of up to 4 hours' pay;
- d) Suspension from work without pay for up to 10 (ten) days;
- e) Dismissal for subjective reason/break of the continuity of the employment relationship or of the specific work shift;
- f) Dismissal for just cause / interruption of the employment relationship or of a specific work shift.

In relation to the infringements referred to in paragraph 5 of this Internal Disciplinary System:

- A verbal or written reprimand shall be imposed on the Master or Chief Engineer for any of the infringements listed under paragraph 4.1;
- A fine or suspension from work without pay shall be imposed on the Master or Chief Engineer for any of the infringements listed under paragraph 4.2;
- Dismissal for a justified personal reason or just cause shall be imposed on the Master or Chief Engineer for any of the infringements listed under paragraph 4.3;
- Failure to comply with the obligation to report to the Supervisory Board conduct in breach of the Code of Ethics and the Model entails the sanction referred to in letters (a) or (b) above, depending on the seriousness of the unreported misconduct.

5.5 Seafarers

The sanctions applicable to EU seafarers of all ranks, both on board and ashore, excluding Masters and Chief Engineers, may include the following:

- a) Written reprimand;
- b) Fine to the maximum of 4 (four) hours of wage;
- c) Suspension from work without pay for up to 10 (ten) days;
- d) Suspension from the specific shift for a maximum period of two months;
- e) Termination of the enrolment contract and/or removal from the specific shift;
- f) Resolution of the enrolment contract and/or removal from the list of staff on continuous employment.

In relation to the infringements referred to in this Internal Disciplinary System:

- Seafarers committing the breaches referred to in paragraph 4.1 shall be subject to a written reprimand or a fine;
- Seafarers committing the breaches referred to in paragraph 4.2 shall be subject to suspension from duty without pay or from a specific work shift;
- Seafarers committing the breaches referred to in paragraph 4.3 shall be subject to termination of the enrolment contract and/or removal from a specific work shift, or to maritime contract termination and removal from the Company's continuous employment roster;
- Failure to comply with the obligation to report to the Supervisory Board and/or to the direct line manager conduct in breach of the Code of Ethics and the Model entails the sanction referred to in letters (a) or (b) above, depending on the seriousness of the unreported misconduct.

5.6 Non-EU seafarers (including Masters and Chief Engineers)

As already indicated, the recruitment and employment on board the Company's vessels of non-EU seafarers **of all ranks** is carried out in accordance with the *Collective Bargaining Agreement (CBA) for Non-Doms Italian International Vessel Register*, which includes a list of sanctionable conduct and the applicable disciplinary measures.

With regard solely to non-EU seafarers employed through the ESA Manning Agent, the applicable agreement is the *IBF Collective Bargaining Agreement (CBA)*.

Where, in respect of conduct in breach of the Code of Ethics and/or the Model referred to in paragraph 4, the sanctions provided for under Company's Internal Disciplinary System conflict with the corresponding sanctions set out in the **CBA**, the latter shall apply.

5.7 Philippine seafarers (including Masters and Chief Engineers)

As already indicated, the recruitment and employment of Philippine seafarers **of all ranks** is subject to the adoption and observance — by both the seafarers and the shipowner — of the conditions set out in the *Collective Bargaining Agreement (CBA) for Non-Doms Italian International Vessel Register* and the *IBF Collective Bargaining Agreement*

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(CBA), as well as those laid down by the *Philippine Overseas Employment Administration (POEA)*, which include a list of sanctionable conduct and breaches and the applicable disciplinary measures.

Where, in respect of conduct in breach of the Code of Ethics and/or the Model referred to in paragraph 4 of this chapter, the sanctions provided for under Company's Internal Disciplinary System conflict with the corresponding provisions set out in the applicable CBA and/or POEA rules, the latter shall apply.

5.8 Third Party Recipients

If a breach of the Code of Ethics and the Model by a Third-Party Recipient is established, appropriate sanctions will be imposed and graded according to the type and severity of the alleged breach.

If the breaches are committed by temporary workers, the sanctions will be applied according to the outcome of determination of breaches on the part of the worker, and will be directed against the temporary worker provider or contractor.

In the context of relations with Third Party Recipients, engagement letters and/or relevant negotiation agreements shall include specific references to binding obligations for the parties involved, such as:

- a) Knowing the rules laid down by Legislative Decree 231/201;
- b) Having taken note of the principles set out in Company's Code of Ethics, made available on its website, and committing to respect them in the performance of the assigned tasks or of the activity covered by the agreement;
- c) Having taken note of the implementation by the Company of an Organisational Model pursuant to Legislative Decree no. 231/2001.

6. Disciplinary Procedure

- The disciplinary measure must be justified and communicated in writing.
- For disciplinary measures more severe than a verbal reprimand, the employee must first be served with a written notice of charge specifying the infringement committed.
- Disciplinary measures more severe than a verbal reprimand may not be applied until five (5) days have elapsed from the date on which the written notice of the facts giving rise to the measure is served.
- A worker who has been subjected to a disciplinary sanction may present their justifications, including verbally, and may be assisted by a representative from the Trade Union to which they belong or one they designate. The worker may also request the establishment of a Conciliation and Arbitration Board through the Provincial Employment Office. In such cases, the sanction shall be suspended until a decision is made by the Board.

The Supervisory Board or other competent corporate bodies, where they receive a report (including an anonymous one) or, in the course of their activities, become aware of elements capable of indicating a significant breach or an attempted breach of the Model, a failure to report, or a failure to comply with the Code of Ethics:

- Act in order to carry out the investigations and the appropriate checks, within their area of responsibility;
- Evaluate, on the basis of the information acquired, if a punishable breach of the Model actually occurred;
- Report, both in positive and negative case, the outcome of their investigation and the relevant findings to the Top Management, transmitting all the elements to the Head of Human Resources Office, in order to assess the possible relevance of the conduct with respect to other applicable laws or regulations.

The application of the procedures established by Legislative Decree no. 24/2023 regarding the management of the internal reporting channel shall remain unaffected.

Except where the investigation has found no breach or attempted breach, the disciplinary procedure — initiated following a finding of a breach by the competent corporate bodies from time to time — provides, for each category of recipients, for the following phases:

- a) Notice of the breach;
- b) Determination of the sanction;
- c) Imposition of the sanction.

Form, timing and content of the notice

The Company:

In compliance with the applicable law and prevailing case law,

- Notifies the recipient in writing of the disciplinary charge concerning the breaching conduct (*except, as is self-evident, in the case of a verbal reprimand*) and uses such methods of delivery (by hand, by registered mail, by certified email, or via an appointed third party) as may be deemed appropriate from time to time;
- Obtains clear and unequivocal evidence that the recipient has received the notice of charge.

In compliance with the requirement that the notice of charge be sufficiently specific,

- Includes in the notice the information necessary to identify the act or acts in respect of which the recipient's breaching conduct has been found;

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In compliance with the requirement that the facts alleged remain unchanged,

- Ensures full correspondence between the misconduct alleged in the notice of charge and the grounds on which the disciplinary sanction is based;

In compliance with the requirement that the notice of charge be timely,

- Serves the notice on the recipient as soon as the facts can reasonably be considered to be established, taking into account the specific circumstances of the case;

In the event of criminal proceedings,

The Company reserves the right to:

- Await the outcome of the proceedings where it does not have full knowledge of the facts (Cass., August 9, 2004, no. 15361), for the purposes of imposing the sanction;
- Impose the sanction of dismissal without awaiting the outcome of the criminal proceedings where the breaching conduct amounts to a criminal offence (Cass., January 18, 2007, no. 1101).

The Company, furthermore,

in order to ensure recipient's full exercise of the right of defence,

- refrains from relying on new circumstances in support of the sanction decision, other than those previously contested, which could lead to a different assessment of the disciplinary offence (Cass., August 10, 2007, no. 17604);
- Points out that any new circumstances can be added only for confirmatory purpose of the severity of the alleged charge;
- As a general rule, the Company does not indicate in the notice of charge the type of sanction it intends to impose; however, where it considers it appropriate to do so, it will state that the measure subsequently imposed may differ from — and may even be more severe than — the one indicated in the notice of charge (Cass., July 20, 1989, no. 3427).

If Company's Internal Disciplinary System provides for dismissal for just cause in relation to the alleged infringement:

- The Company attaches to the notice of charge the measure ordering precautionary suspension from work, in order to avoid the recipient's continued presence in the workplace being regarded as inconsistent with the existence of just cause for termination pursuant to Article 2119 of the Italian Civil Code, which does not permit the continuation of the employment relationship, even on a temporary basis.
- Points out that the precautionary suspension does not constitute a disciplinary action.

6.1 Directors, Statutory Auditors and External Auditors

If the Supervisory Board or other corporate bodies detect a breach of the Model, the Code of Ethics, or a failure to report by an individual serving as a Director who is not employed by the Company, they shall submit a report to the Board of Directors and the Board of Statutory Auditors, containing:

- The description of the behaviour observed;
- The indication of the provisions of the Model that have been infringed;
- The personal information about the person responsible for the breach;
- Any documents proving the breach and/or other objective evidence.

Within ten days of the receipt of the report, the Chairman of the Board of Directors shall convene the subject responsible for the breach for a meeting of the Council, to be held no later than thirty days of the receipt of the report itself. In the event of an alleged breach attributable to the Chairman of the Board of Directors, the notice of convocation shall be issued by the most senior member in office; if two or more members share equal seniority, any one of them may issue the notice.

Such notice of convocation must:

- Be made in writing;
- include a description of the alleged conduct and the specific provisions of the Model that are alleged to have been breached;
- Indicate the date of the meeting, with the notice to the person concerned of the possibility to make any remarks and/or deductions, both written and verbal.
- Be signed by at least two members of the Board of Directors.

At the meeting of the Board of Directors, to which the Supervisory Board is also invited, the following shall be arranged: the hearing of the person concerned, the receipt of any written observations submitted by them, and any further investigations deemed appropriate.

The process described above shall also apply in cases where the breach of the Model is committed by a member of the Board of Statutory Auditors or by the External Auditor, to the extent permitted by applicable law.

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Following any written observations submitted by the person concerned, the Board of Directors shall give a reasoned decision on the determination of the sanction, which shall then be submitted to the Shareholders' Meeting for ratification and imposition.

The Board of Directors, through the member designated by the President, is responsible for the actual enforcement of the sanction, in compliance with applicable laws and corporate regulations. In the event that a sanction is imposed on the President, its actual enforcement shall be handled by the other members of the Board.

The Supervisory Board, which receives for information purposes the provision of imposition of the sanction, verifies its application.

In all cases where it is determined that a breach of the Code of Ethics and the Model has been committed by a Director who is employed by the Company, the provisions applicable to both Directors and Employees will be enforced.

6.2 Managers and administrative staff

Where the Company considers that a Manager or an administrative employee has breached the Model and/or the Code of Ethics, or has failed to report a breach thereof, the procedure for investigating the matter and notifying the allegations will be carried out in accordance with Article 7 of the Workers' Statute and the applicable national collective bargaining agreements. The person concerned will be afforded the opportunity to exercise the right of defence within the time limits laid down by law.

In particular:

The employee subject to the notice of charge may be assisted by a representative of the trade union to which they belong or to which they have given a mandate.

Disciplinary measures more severe than a verbal reprimand cannot be applied until five (5) days have elapsed from the written notice of the facts giving rise to the measure.

Without prejudice to the right to appeal to the judicial authorities, the employee subject to a disciplinary sanction may, within 20 (twenty) working days from the written notification of the imposed measure, request the establishment of a Conciliation and Arbitration Board through the Provincial Employment Office, as provided by the applicable collective agreement for this case. The request may also be made with the assistance of the trade union to which the employee belongs or has granted power of attorney.

In such cases, and if the Company initiates a legal action, the disciplinary sanction shall be suspended either pending a decision by the Board or until the court's verdict.

6.3 Masters and Chief Engineers

If the Company, where appropriate also in coordination with the Manning Agent ESA, considers that a Master or Chief Engineer has breached the Model and/or the Code of Ethics, or has failed to report a breach thereof, the procedure for investigating the matter and notifying the allegations will be carried out in accordance with Article 7 of the Workers' Statute and the applicable national collective bargaining agreements. The person concerned will be afforded the opportunity to exercise the right of defence within the time limits laid down by law.

In particular, the Supervisory Board or other corporate bodies shall submit a report to the Board of Directors, the Board of Statutory Auditors, and the HR Manager, containing the following:

- a) The description of the contested behaviour;
- b) The indication of the provisions of the Model that have been infringed;
- c) The personal information about the person responsible for the breach;
- d) Any documents proving the breach and/or other objective evidence.

The Company, through the Head of the Human Resources Office and, where appropriate, ESA, serves on the person concerned a written notice of the breach, which shall include:

- a) A clear description of the alleged conduct and the provisions of the Model allegedly breached;
- b) A notice informing the person concerned of their right to submit written observations and/or justifications within eight (8) days of receipt of the communication, and to request the assistance of a representative of the trade union organisation to which they belong or to which they have given a mandate.

The Master or the Chief Engineer, if they request it in their written justifications, may be heard in their defence with the assistance of a representative from the trade union to which they belong or one they designate. The hearing must take place within 5 (five) days of the request.

After assessing any justifications submitted by the Master or the Chief Engineer and, in any event, after ten (10) days from receipt of the notice of charge, the Company may impose one of the disciplinary sanctions referred to in item 6, in proportion to the seriousness of the alleged facts.

Following any written observations submitted by the person concerned, the Head of the Human Resources Office shall give a reasoned decision on the determination and imposition of the sanction.

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In any event, disciplinary measures cannot be imposed before eight (8) days have elapsed from the date on which the person concerned received the notice of charge, and must be notified to them — by the Head of the Human Resources Office — no later than eight (8) days from the expiry of the time limit granted for submitting written observations and/or justifications.

The HR Manager is responsible for the actual application of the sanction in compliance with applicable laws and regulations, as well as the provisions of the collective bargaining agreement and company regulations, where relevant.

The Supervisory Board, which receives for information purposes the provision of imposition of the sanction, verifies its application.

Without prejudice to the right to appeal to the judicial authority, the individual whom has been sanctioned can promote, within twenty days of the receipt of the disciplinary measure, the establishment of a Conciliation and Arbitration Board, as provided for by collective bargaining applicable to the specific case. In this case, the disciplinary sanction shall be suspended until the Board reaches a decision.

Disciplinary measures during the period on board may be imposed by the Company through the Head of the Human Resources Office and/or, where appropriate, ESA.

In particularly serious cases, immediate disembarkation may also be ordered. In such cases, the Company may impose a precautionary suspension, with payment equal to 50% of the minimum monthly amount provided for under the contract.

6.4 Seafarers

If a breach of the Model or the Code of Ethics, or a failure to report such breach, is established in relation to a seafarer — whether on board or ashore, and of any rank except Masters and Chief Engineers — the disciplinary assessment procedure shall be carried out in accordance with Article 7 of the Workers' Statute and the applicable national collective bargaining agreement.

For sanctions more severe than a verbal reprimand, the charge must be notified before the sanction is imposed, allowing the seafarer to exercise the right of defence within the time limits laid down by law.

Disciplinary measures during the period of embarkation may be taken by the Master or by the Company, through the HR Manager or their proxy — ESA, where applicable — and may be recorded in the ship's official documents by the party imposing the sanction. The Master may also proceed with the immediate disembarkation of the seafarer in particularly serious cases.

In such cases, the Shipowner may impose a precautionary suspension, with payment of 50% of the monthly minimum amount provided for by the contract. Disciplinary measures against seafarers who are not embarked shall be taken by the Shipowner or their designated representative.

The seafarer who considers the adoption of a written reprimand against them to be unjustified shall have the right to appeal in accordance with statutory provisions, including through the Trade Union.

A seafarer who considers a disciplinary sanction more severe than a written reprimand to be unjustified shall have the right to challenge it within 10 (ten) days of disembarkation or of receiving notification of the sanction, before the Conciliation Board referred to in Article no. 84 of the Section concerning the embarkation of EU maritime workers on cargo vessels and passenger/freight ferries over 151 GT.

If the contested sanction is the fine or suspension from a specific shift or from the list of staff on continuous employment and the aforementioned Conciliation Board doesn't recognize it as justified, this will be cancelled and will lose its applicability. If the removal from a Specific Shift or the cancellation from the list of staff on continuous employment is challenged and the above-mentioned Conciliation Board deems it unjustified, the Company may nevertheless uphold such removal and cancellation, applying to the seafarer a sanction equivalent to a number of days' pay, calculated in the manner and within the limits set forth in the relevant section of the National Collective Bargaining Agreement.

6.5 Non-EU seafarers (including Masters and Chief Engineers)

The recruitment and employment of non-EU seafarers of any rank on the Company's vessels is carried out in accordance with the **Collective Bargaining Agreement (CBA) for Non-Doms Italian International Vessel Register**, which includes the procedures for reporting breaches and applying the relevant disciplinary measures.

With regard exclusively to non-EU seafarers employed through ESA Manning Agent, the applicable agreement shall be the **IBF Collective Bargaining Agreement (CBA)**, including its relevant disciplinary procedures.

Where, in respect of the conduct in breach of the Code of Ethics and/or the Model described in paragraph 4 of this chapter, the disciplinary procedures provided for under Company's Internal Disciplinary System conflict with the corresponding provisions of the **CBA**, the latter shall apply.

6.6 Philippine seafarers (including Masters and Chief Engineers)

The recruitment and employment of Philippine maritime personnel of all ranks is subject not only to the terms set out in the **Collective Bargaining Agreement (CBA) for Non-Doms Italian International Vessel Register** and in the **IBF**

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Collective Bargaining Agreement (CBA), but also to the provisions of the *Philippine Overseas Employment Administration (POEA)*, which must be complied with by both the maritime personnel and the shipowner. These provisions include the procedures for reporting breaches and applying the relevant disciplinary measures.

Where, in respect of the conduct in breach of the Code of Ethics and/or the Model described in paragraph 4 of this chapter, the sanctions and disciplinary procedures provided for under Company's Internal Disciplinary System conflict with the corresponding provisions of the applicable **CBA** and/or **POEA** rules, the latter shall apply.

7. Third Party Recipients

If the breach of the Model by a Third Party Recipient is ascertained, the Supervisory Board or other relevant bodies shall submit a report to the Board of Directors, the Board of Statutory Auditors, and the Executive responsible for managing the contractual relationship in question, containing the following:

- The description of the behaviour observed;
- The indication of the provisions of the Model that have been infringed;
- The personal information about the person responsible for the breach;
- Any documents proving the breach and/or other objective elements;

Within ten days of the acquisition of the report, the Executive of the concerned function deliberates about the determination and practical application of the sanctions.

The Executive then sends to the subject concerned a written communication, containing the indication of the alleged behaviour and the provisions of the Model object of breach, as well as the contractually applicable sanction.

The same Executive is also responsible for ensuring the actual application of the sanction in compliance with applicable laws and regulations.

The Supervisory Board, which is sent the communication for information purposes, checks the application of the applicable contractual remedy.