



VETROELITE SRL

ORGANIZATION, MANAGEMENT AND CONTROL MODEL

D. LGS. NO. 231/2001

GENERAL PART

1

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DEFINITIONS

Sensitive activities: Activities of VETROELITE S.r.l. in which there is a risk, even if only potential, of the commission of any of the predicate offenses referred to in Legislative Decree no. 231/2001.

Code of Ethics (the "Code"): The Code of Ethics of VETROELITE S.r.l. adopted pursuant to Legislative Decree no. 231/2001 as an integral part of its Organization and Management Model. The Code covers the general principles and values to which the COMPANY IS inspired as well as the rules of conduct to which it conforms in the exercise of its activities and in the interaction - in any capacity - with third parties.

Collaborators: All persons who - in any capacity - have collaborative relationships with the company VETROELITE S.r.l., who perform intellectual or manual activities; these persons work in operational autonomy, with the exclusion of the constraint of subordination, but within the framework of a unitary and continuous relationship with the principal of the work.

Organizational misconduct: Reprimand of a subjective nature imposed on the entity under Legislative Decree No. 231/2001 in the event of the commission, in its own interest or to its own advantage and by a senior member or subordinate, of a predicate offense; what is alleged against the entity is that it has failed to adopt adequate internal regulations (in particular, sufficient organizational safeguards) such as to prevent that in the performance of its business activities an opportunity for the commission of a predicate offense was created.

Consultants: Any entity that performs its activities in the name and/or on behalf of - or otherwise in favor of - VETROELITE S.r.l. by virtue of a special mandate or other contractual relationship (e.g., contract for intellectual work).

Outsourcing contract: An agreement by which one party (*outsourcee* or principal) transfers to another party (*outsourcer*) certain functions necessary for the realization of the business purpose.

Corporate Governance: Set of principles, institutions and mechanisms through which the most important decisions of the company are developed, necessary for the functioning of the company.

CCNL: National Collective Labor Agreement currently in force and applied by VETROELITE S.r.l.

D. Legislative Decree No. 231/2001 (the "Decree"): Legislative Decree No. 231 of June 8, 2001, which dictates the "*Regulations on the administrative liability of legal persons, companies and associations, including those without legal personality,*" as amended and supplemented.

D. Legislative Decree No. 231/2007: Legislative Decree No. 231 of November 21, 2007, implementing Directive 2005/60/EC on the prevention of the use of the financial system for the purpose of money laundering and terrorist financing and Directive 2006/70/EC laying down implementing measures thereof, as amended.

Employees: Individuals having an employment relationship with VETROELITE S.r.l., including managers.

Managers: Individuals who, by reason of professional skills and hierarchical and functional powers appropriate to the nature of the office conferred on them, implement the employer's directives by organizing the work activity and supervising it.

Secondment: An institution by which an employer (seconding party), in order to satisfy its own interest, temporarily places one or more workers at the disposal of another party (seconded) for the performance of a specific work activity.

Risk Assessment Document ("R.V.D."): A document drawn up by the employer containing a report on the assessment of risks to health and safety during work and the criteria for the said assessment, the indication of prevention and protection measures and personal protective equipment consequent to this assessment, the program of measures considered appropriate to ensure the improvement of safety levels over time, the identification of the procedures for the implementation of the measures to be carried out as well as the roles of the company organization that must provide for them, the indication of the name of the RSPP, the RLS and the competent doctor who participated in the risk assessment, as well as the identification of the tasks that possibly expose workers to specific risks that require recognized professional ability, specific experience, adequate training and education.

Entities: Legal entities other than natural persons, such as companies and associations, including those without legal personality, as well as institutions with legal personality.

Public official: any public official or person in charge of a public service within the meaning of Articles 357 and 358 of the Criminal Code.

Administrative offense dependent on crime: Illicit fact that determines the "administrative" liability of entities pursuant to Legislative Decree No. 231/2001, and thus the infliction of the relevant sanctions, consisting of the commission of a predicate offense in the interest or to the advantage of the entity and by a "top" or "subordinate" exponent of the entity itself; the occurrence of an administrative offense dependent on crime can be made possible by a more or less marked organizational fault.

Person in charge of public service ("ips"): A person who, in any capacity, performs a public service, to be understood as an activity regulated in the same forms as the public function, thus regulated by rules of public law and authoritative acts (e.g., act of concession), but characterized by the lack of powers (authoritative, certifying and deliberative) typical of the latter and the absence of participation in the formation and manifestation of the will of the public administration (see Art. 358 of the Criminal Code). The exercise of orderly duties (merely executive and lacking autonomy or discretion) or the performance of merely material work does not constitute a public service, so that the person in charge of a public service is such if he or she performs a "conceptual" or intellectual function. By way of example, as a rule, the concessionaire holds the status of i.p.s. in the performance of the activity entrusted under concession (case law has recognized as i.p.s. the director of a private company in charge of the municipal tax collection service, or the manager of a public landfill operating under administrative authorization).

Financial interests of the European Union: all revenue, expenditure and assets that are covered or acquired or due under the Union budget and/or the budgets of Union institutions, bodies, offices and agencies established under the Treaties or budgets directly or indirectly managed and controlled by them. Thus, the protection of the Union's financial interests concerns not only the management of budgetary appropriations, but extends to any measure that affects or is likely to affect its assets and those of the Member States (insofar as it is of interest to the Union's policies).

Guidelines: Guidance documents drafted by major trade associations for the construction of Organization and Management Models pursuant to Legislative Decree No. 231/2001 with respect to the relevant sector.

Model (or "MOG"): Model of organization, management and control required by Article 6 of Legislative Decree No. 231/2001 adopted by VETROELITE S.r.l.

Supervisory Board ("SB"): Internal body of the entity in charge of supervising the functioning and observance of the Model; the SB is also responsible for promoting the updating of the Model, indicating for this purpose to the Administrative Body the actions to be taken.

Corporate Bodies: the Administrative Body, the Shareholders' Meeting and the Board of Statutory Auditors of VETROELITE S.r.l.

Administrative Body (or "management body"): the Board of Directors (or B.o.D.) of VETROELITE

Partners: Contractual counterparts of the COMPANY, such as suppliers, distributors, contractors, both natural and legal persons, with whom the COMPANY comes to any form of contractually regulated collaboration (temporary business association, consortia, collaboration in general).

Public Administration: The State and all its articulations, territorial public bodies and other non-economic public bodies, as well as those persons who fall under the definition of "public official" or "person in charge of a public service" pursuant to, respectively, Articles 357 and 358 of the Criminal Code, that is, those who - employees of public or private entities - exercise "a legislative or judicial public function" or even "an administrative function," insofar as it is governed by rules of public law and authoritative acts, characterized by the formation and manifestation of the will of the Public Administration, possibly by means of authoritative and certifying powers.

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Public Official: For the purposes of the Decree, it is "public official."

(1) **anyone who** exercises a legislative, judicial or administrative public function, i.e., one governed by rules of public law and authoritative acts and characterized by the formation and manifestation of the will of the public administration; thus, a public official is anyone who exercises (even in an uncoincurred manner) authoritative, certifying or deliberative powers;

(2) Any person acting in an official capacity in the interest of or on behalf of: (a) a national, regional, or local public administration, (b) an agency, office, or body of the European Union or of an Italian or foreign national, regional, or local public administration, (c) an enterprise owned, controlled, or participated in by an Italian or foreign public administration, (d) a public international organization such as the European Bank for Reconstruction and Development, the International Bank for Reconstruction and Development, the International Monetary Fund, the World Bank, the United Nations, or the World Trade Organization, or (e) a political party, a member of a political party, or a candidate for political office, Italian or foreign;

(3) **representatives of** local communities, which, under the Anti-Corruption Laws and particularly the case law derived therefrom, representatives of local communities are equated with Public Officials.

Predicate" offenses: Hypotheses of crime (both crimes and contraventions), provided for by the Criminal Code or special laws, specifically referred to in Articles 24 et seq. of Legislative Decree no.

231/2001 or in any case in respect of which the liability of the entity is expressly provided for under the same Legislative Decree no. 231/2001.

Risk Assessment: Methodology for identifying and analyzing the risks present in the operation of a given activity, within the scope of which the existing critical issues in the internal control system are also identified (so-called *gap analysis*), preparatory to subsequent *risk management* activities.

Internal Control and Risk Management System: The set of tools, organizational structures, standards and corporate rules aimed at enabling the sound, proper and consistent conduct of the business with the company's objectives, through an adequate process of identifying, measuring, managing and monitoring the main risks, as well as through the structuring of adequate information flows aimed at ensuring the circulation of information.

COMPANY (or "VETROELITE"): VETROELITE S.r.l.

"Apical" Persons: Persons who, in accordance with Article 5, paragraph 1, letter a) of the Decree, hold functions of representation, administration and control or management of VETROELITE or one of its units with financial and functional autonomy, as well as persons who exercise, even de facto, the management or control of the COMPANY.

"Subordinate" persons: Persons who, pursuant to Article 5, Paragraph 1 (b) of the Decree, are subject to the management or supervision of "top" persons.

Third parties or third parties: Those parties that are not part of VETROELITE, with whom it deals in carrying out its business activities.

Tools for implementing the MOG: All provisions, internal measures, acts, and corporate operating procedures, such as bylaws, proxies, organizational charts, *job descriptions*, procedures, and organizational arrangements.

Consolidated Environmental Act: Legislative Decree No. 152 of April 3, 2006.

Consolidated Law on Finance: Legislative Decree No. 58 of February 24, 1998.

Consolidated Occupational Health and Safety Act: Legislative Decree No. 81 of April 9, 2008.

Top Management: The Governing Body, the heads of Management and any individuals to whom management functions and strategic responsibilities are assigned, who are responsible - each in relation to his or her level - for implementing, maintaining and monitoring the Internal Control and Risk Management System, in accordance with the directives of the Governing Body.

INTRODUCTION

VETROELITE S.r.l. (hereinafter, "VETROELITE" or the "COMPANY") has intended to equip itself with an *Organization, Management and Control Model* (hereinafter, the "Model"), considering it a now indispensable element for the adequacy of its organizational, administrative and accounting structure¹, thus complying with the provisions of Legislative Decree No. 231 of June 8, 2001 (hereinafter, the "Decree")².

In the adoption of both the Model and the Code of Ethics, the COMPANY has found an important opportunity to increase its level of transparency and rigor in the pursuit of its corporate purpose, including by raising the awareness of its top management, employees, collaborators and third parties who, for various reasons, interface with it, to respect legality and the prevention of illegal conduct.

Aware of its social responsibility and also in order to protect its image and reputation, VETROELITE requires its interlocutors to adopt responsible and virtuous behaviors, respectful of the law as well as of the ethical-social principles and values by which the COMPANY itself is inspired, summarized in the Model and the Code of Ethics. At the same time, through the communication of the Model, VETROELITE encourages full and timely awareness of the behaviors that are not allowed and tolerated in the exercise of the business.

Ultimately, through the concrete implementation and effective dissemination of the Model, the COMPANY intends to prevent its activity from generating opportunities for the commission of offences; in particular, the COMPANY intends to prevent the commission of the offences referred to by the Decree (so-called "predicate offences"), also thanks to a pervasive control system that prevents the realization of deviant behaviour. From this point of view, the commission of crimes is never in line with the interests of VETROELITE and is, on the contrary, specifically opposed and always condemned by the COMPANY, even where the same appears to be able to derive - apparently - a benefit or advantage.

In preparing the Model, VETROELITE has taken steps to analyze its corporate organizational structure, with particular reference to the internal control system, in order to assess the existence of room for improvement in light of the main *best practices* and the most recent jurisprudential and doctrinal approaches on the subject of corporate liability.

The Model is divided into a General Part and several Special Parts, as many as there are "classes" of offenses that can potentially be committed in the exercise of VETROELITE's business activities and identified through *risk assessment* activities. Finally, the Code of Ethics, organizational chart, job description and company instructions form an integral part of the Model.

The Model is endowed with a broad and generalized scope, involving every aspect of the company's business activities; moreover, its application is not limited to VETROELITE's personnel alone, but is addressed to all those who, in any capacity, work on behalf of or in the interest of the COMPANY (hereinafter, the "Recipients"), such as:

- 1) VETROELITE Members and members of other Corporate Bodies;

¹ Pursuant to Articles 2086, second paragraph, 2381, third paragraph, and 2392 Civil Code.

² Regarding the "*Regulations on the administrative liability of legal persons, companies and associations, including those without legal personality, pursuant to Article 11 of Law No. 300 of September 29, 2000.*"

- 2) any other person in an "apical" position, who therefore exercises - even de facto - functions of representation, administration, management or control of the COMPANY;
- 3) executives, employees and collaborators in any capacity (regardless of formal qualification and nature of employment relationship, whether permanent, fixed-term, part-time), including temporary workers, interns, and temporary and seconded workers;
- 4) business *partners*, intermediaries, consultants, professionals and suppliers of goods and services;
- 5) Any other contractual counterpart.

CHAPTER 1 - DESCRIPTION OF THE REGULATORY FRAMEWORK

1.1. Administrative responsibility of institutions

The Decree introduced into the Italian legal system the institution of liability of entities dependent on crime. Although *formally* qualified as "administrative," this liability is *substantially* criminal in nature because:

- results from the commission, in the interest or to the advantage of the entity, of one of the crimes referred to in the Decree (the "predicate" crimes);
- stands alongside the liability of its exponent natural person - apical or subordinate - who has committed one of the "predicate" crimes, while remaining independent of it (being able to be recognized even in cases where the perpetrator of the crime remains unknown³);
- is established in criminal proceedings⁴;
- contemplates the application of penalties, both pecuniary and interdictory, which are particularly afflictive (up to and including disqualification from conducting business), in addition to confiscation.

Specifically, entities can be held liable for "predicate" crimes committed-or even attempted-by members of top management (so-called top individuals)⁵ or those subject to their direction and control (so-called subordinates)⁶.

The liability of entities is independent of and in addition to that of the natural person who committed the crime. The regulatory framework provided by the Decree thus aims to involve, in the repression of certain crimes, the entities in whose interest, or for whose benefit, the crime in question was committed, affecting their assets and management by virtue of an established organizational fault.

1.2. The prerequisites for the liability of entities

For the purposes of the entity's liability under the Decree, several prerequisites must be met. In particular, it is necessary that:

- a) a "predicate" crime has been committed, i.e., a criminal offense referred to in the text of the Decree or for which the liability of the entity under the Decree is specifically provided for, even by a different regulatory source;
- b) the predicate offense was *also* committed in the interest, or to the benefit, of the entity;
- c) the perpetrator of the crime, or the concurrent perpetrator, is a person in a senior position and/or a person under the direction or supervision of a senior person, even if not identified.

³ See Article 8 of the Decree.

⁴ See Article 36 of the Decree.

⁵ See Art. 5(1)(a) and Art. 6 of the Decree.

⁶ See Art. 5(1)(b) and Art. 7 of the Decree.

1.2.1. The predicate offenses

As anticipated, not every criminal offense determines the liability of the entity under the Decree; for this purpose, it must be (alternatively) crimes: (a) peremptorily referred to in the Decree itself; (b) provided for by a different regulatory source which - however - explicitly provides for the liability of the entity under the Decree.

At present, the offenses relevant to the "administrative" liability of the entity can be included in the following categories⁷ :

- Crimes against the Public Administration (Articles 24 and 25 of the Decree)
- Computer crimes and unlawful data processing (Article 24-*bis* of the Decree)
- Organized crime offenses (Article 24-*ter* of the Decree)
- Crimes of forgery (forgery of money, public credit cards, revenue stamps, and identification instruments or signs) (Article 25-*bis* of the Decree)
- Crimes against industry and trade (Article 25-*bis*.1 of the Decree)
- Corporate crimes (art.25-*ter* of the Decree)
- Crimes for the purpose of terrorism or subversion of the democratic order (Article 25-*quater* of the Decree)
- Offense of female genital mutilation practices (Article 25-*quater*.1 of the Decree)
- Crimes against the individual (Article 25-*quinquies* of the Decree)
- Market abuse offenses (Article 25-*sexies* of the Decree).
- Manslaughter or serious or very serious injury committed in violation of regulations on the protection of health and safety at work (Article 25-*septies* of the Decree)
- Crimes against property by fraud (Article 25-*octies* of the Decree)
- Copyright infringement crimes (Article 25-*novies* of the Decree)
- Inducement not to make statements or to make false statements to judicial authorities (Article 25-*decies* of the Decree)
- Transnational crimes (art. 10 L. no. 146/06)
- Environmental crimes (Article 25-*undecies* of the Decree)
- Employment of citizens of non-EU countries (Art. 25-*duodecies* of the Decree)
- Racism and xenophobia (Article 25-*terdecies* of the Decree)
- Sports fraud (Article 25-*quaterdecies* of the Decree)
- Tax crimes (Art. 25-*quinquiesdecies* of the Decree)
- Smuggling (Article 25-*sexiesdecies* of the Decree).

1.2.2. The interest or advantage of the entity

The commission of a predicate offense is still not sufficient for the purpose of the entity's liability; it is also necessary that the offense was committed in the entity's *interest* or to its *advantage*. Specifically:

⁷ For in-depth examination of the individual predicate offenses relevant to VETROELITE's business, please refer to the individual Special Sections.

- **interest** implies the finalization of the unlawful conduct toward the attainment of a utility, not necessarily economic, for the benefit of the entity, a utility that - however - need not be attained for the purposes of liability under the Decree;
- the **advantage** consists in the concrete acquisition of an economically appreciable utility by the entity.

The liability of the entity exists even if the perpetrator acted to satisfy an interest *competing with that of the entity itself*: in other words, such liability is excluded only when the individual committed the offence *exclusively* in his or her own interest or that of third parties⁸.

1.2.3. Perpetrators of the crime: individuals in "apical" positions and individuals "under the direction of others"

Finally, the liability of the entity arises only if the predicate crime has been committed—even in complicity—by persons linked to it by an organic relationship of immedesimation or by an employment relationship. Specifically, predicate offenses committed determine the liability of the entity:

- *"by persons who hold positions of representation, administration or management of the entity or one of its organizational units with financial and functional autonomy, as well as by persons who exercise, even de facto, the management and control of the entity itself"*⁹ (**apical** subjects). "Apicals" are considered to be all persons placed at the top of the corporate organization who are deputed to express the will of the entity in external relations or to adopt business policy choices. Apicals are entrusted with the power to manage, represent, control and supervise the entity itself;
- *"by persons subject to the direction or supervision of one of the top individuals"*¹⁰ (**subordinate** individuals).

By way of example, directors, auditors, and general managers are considered apical; if endowed with financial and functional autonomy, persons in charge of secondary offices (plant managers) and, in the case of an organization divided by divisions, of division managers are also considered apical. More generally, all individuals who, regardless of a valid and formal investiture¹¹, exercise management and control roles in the entity on a continuous and significant basis are apical.

The broad category of subordinates is also identified on the basis of a functional criterion: regardless of formal qualification and the nature of the link with the entity, a subordinate is one who is answerable to the control, direction or supervision of a senior person.

1.2.4. Crimes committed abroad

⁸ See Article 5(2) of the Decree.

⁹ See Article 5(1)(a) of the Decree.

¹⁰ See Article 5(1)(b) of the Decree.

¹¹ The Decree recalls the functional criterion described in Article 2639 of the Civil Code, which equates—with particular reference to corporate crimes—the following to the person formally invested with the title or holder of the function provided for by civil law: (a) one who is required to perform the same function, otherwise qualified; (b) one who, although lacking regular investiture, continuously and significantly exercises the typical powers inherent in the title or function.

The Decree also extends the possibility of prosecuting entities in Italy for crimes committed abroad in order to avoid easy circumvention of the entire regulatory framework¹².

Proceedings may be brought for the act of crime committed abroad if the following conditions are met:

- the entity must have its head office in the territory of the Italian state;
- the crime must be committed abroad by a person functionally related to the entity;
- the entity can only be liable in the cases and under the conditions stipulated by Italian law¹³ ;
- the state of the place where the act was committed does not proceed independently in prosecuting the crime;
- in cases where Italian law provides that the punishment of the perpetrator is subject to the request of the Minister of Justice, the aforementioned request is also made against the entity.

1.3. Penalty apparatus

Once the liability of the entity is established in criminal proceedings, the Decree provides for a series of sanctions, pecuniary and/or disqualifying, which are accompanied by confiscation and publication of the conviction¹⁴.

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1.3.1. Financial penalties

Faced with the commission of a predicate offence, ascertained by a conviction, there is always provision for the imposition of a pecuniary sanction, determined according to a system of "quotas": first of all, for each predicate offence, the Decree provides for a certain number of "quotas" that can be imposed on the convicted entity (in any case, not less than one hundred and not more than one thousand)¹⁵. In turn, each individual "quota" can have a minimum value (€ 258.00) and a maximum value (€ 1,549.00)¹⁶. In concrete terms, then, the number and value of the quotas to be imposed on the entity in the event of conviction are determined by the criminal judge on the basis of the indications contemplated in the Decree¹⁷. Specifically, the judge determines the number of quotas on the basis of¹⁸: (a) the seriousness of the act; (b) the degree of liability of the entity; and (c) the activity put in place by the entity to prevent the commission of further crimes. The size of the individual quota, on the other hand, is defined on the basis of the entity's economic and asset conditions, so as to ensure incisiveness of the penalty.

Moreover, the Decree provides for a number of circumstances that may reduce the pecuniary penalty: for example, when the perpetrator has committed the act in his or her own predominant interest or that of third parties and the entity has gained little or no advantage from it; or again when the damage caused by the commission of the crime is particularly tenuous. In addition, the pecuniary penalty is reduced in cases where the entity has fully compensated for the damage and eliminated the harmful

¹² See Article 4 of the Decree.

¹³ See Articles 7, 8, 9 and 10 of the Criminal Code.

¹⁴ See Article 9 of the Decree.

¹⁵ See Article 10(2) of the Decree.

¹⁶ See Article 10(3) of the Decree.

¹⁷ See Article 10 of the Decree.

¹⁸ See Art. 11 of the Decree.

or dangerous consequences caused through the commission of the crime, or at least has effectively worked to do so. It also mitigates the pecuniary penalty if an organizational model suitable for preventing crimes of the same kind as the one that occurred (so-called remedial model) is adopted and implemented (a *posteriori*).

1.3.2. Disqualifying sanctions

Unlike monetary penalties, which must always be imposed on the entity found responsible for any predicate offense, disqualification penalties can only be applied for those predicate offenses that expressly provide for them¹⁹. In addition, the judge may proceed to impose a disqualification sanction only when:

- a) in the face of a predicate crime committed by a top executive-or by a "subordinate" due to serious organizational deficiencies-the entity has made a significant profit from the crime;
or
- b) the entity, which has already been definitively convicted of an offense dependent on a crime, within the next five years has committed another one (so-called reiteration).

Conversely, the judge may not order a disqualification sanction when the entity:

- 1) has fully compensated for the damage and eliminated the harmful or dangerous consequences of the crime, or otherwise effectively worked towards doing so;
- 2) moreover, has eliminated the organizational deficiencies that led to the crime through the adoption and implementation of organizational models suitable for preventing crimes of the kind that occurred;
- 3) and finally made the profit made available for confiscation.

That said, the Decree provides for numerous disqualifying sanctions, graduated according to a progressively greater level of limitation of the entity's activity (and thus afflictiveness). These are, in particular²⁰:

- Of the prohibition-even permanently-of advertising goods or services;
- Of exclusion from benefits, financing, contributions or subsidies, and possible revocation of those granted;
- Of the prohibition - even permanently - of contracting with the Public Administration;
- The suspension or revocation of authorizations, licenses or concessions that have been found to be "functional" for the commission of the offense;
- Of disqualification - including permanent disqualification - from engaging in the activity.

Such disqualifying sanctions can also be applied on a precautionary basis, that is, before the final determination of the entity's liability takes place²¹. For this purpose, however, the existence is required:

- Of serious indications of the entity's liability;

¹⁹ See Article 13 of the Decree.

²⁰ See Article 9 of the Decree.

²¹ See Art. 45 ff. of the Decree.

- of the real danger of committing further offenses of the same nature as the one being prosecuted.

1.3.3. Publication of the judgment

In the event that a disqualification sanction has been imposed against the entity found liable, the court also orders the publication of the judgment, once only (in excerpt or in full), in one or more newspapers; at the same time, the judgment is also ordered to be posted in the municipality where the entity has its main office²².

1.3.4. Confiscation

When a judgment of conviction intervenes, confiscation of the price or profit of the crime is always ordered, except for that part that can be returned to the person damaged by the crime, if any, and protecting, in any case, the rights acquired by third parties in good faith. In the event that it is not possible to execute the confiscation of exactly the price or profit of the crime, it may be aimed at sums of money, property or other utilities of equivalent value to these²³.

1.4 Exclusion of liability of the entity

According to the provisions of the Decree, even in the face of the commission of a predicate offense, the entity might not incur "administrative" liability in the presence of certain conditions, which differ depending on the perpetrator. In fact, if the perpetrator is a senior person, the entity's liability could be excluded only if the entity proves²⁴:

- to have, prior to the commission of the crime, adopted and effectively implemented an organization and management model suitable for preventing crimes of the same kind as the one that actually occurred;
- to have entrusted a body of the company, endowed with autonomous powers of initiative and control, with the task of supervising the functioning and observance of the model and taking care of its updating ("Supervisory Board" or "SB");
- That the perpetrator fraudulently circumvented the model;
- That there has been no failure or insufficient supervision by the Supervisory Board.

Conversely, in the case where the perpetrator of the crime is a "subordinate," the entity will be held liable only if the commission of the crime was made possible by the failure - on the part of the top management - to comply with the obligations of management and supervision over the subordinate; in any case, the entity will not be subject to sanction in the case where, prior to the occurrence of the crime, it had already adopted and effectively implemented an organizational, management and control model suitable for preventing crimes of the kind that actually occurred²⁵.

²² See Article 18 of the Decree.

²³ See Article 19 of the Decree.

²⁴ See Art. 6(1) of the Decree.

²⁵ See Art. 7 of the Decree.

1.5. The organization, management and control model

Although the organization and management model represents an essential element in the regulatory framework provided by the Decree, the regulatory text provides meager indications as to what the minimal content must be in order for the same to be considered - by the Judicial Authority - suitable for preventing the predicate offenses. In particular, the same must²⁶ :

- Identify the areas of the entity's activities in which predicate offenses may be committed (so-called sensitive activities);
- provide for specific protocols, differently calibrated in relation to the crimes to be prevented, which dictate precise regulations with respect to the formation and implementation of the entity's decisions;
- Identify ways of managing financial resources suitable for preventing the commission of predicate offenses;
- contemplate appropriate measures, on the one hand, to ensure that the entity's activities are carried out in compliance with the regulations and, on the other hand, to discover and eliminate (or at least manage) risk situations in a timely manner;
- Provide for reporting obligations to the Supervisory Board;
- Introduce an appropriate disciplinary system to punish non-compliance with the measures specified in the model itself.

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Moreover, for the model to be considered effectively implemented, the Decree requires:

- first, that the same be periodically audited, and if necessary amended and updated where significant violations of the requirements emerge, or changes occur in the organization and activity of the entity²⁷ ;
- second, that any violations of the model are timely detected and submitted to the disciplinary system.

1.5.1. Guidelines of trade associations

As anticipated, the Decree dictates only the minimum requirements in order for an organizational model to be deemed suitable in court (and thus elide the entity's liability), leaving wide autonomy to the individual entities involved in defining its content. To this end, it is provided that "*organizational models may be adopted [...] on the basis of codes of conduct drawn up by associations representing the entities.*"²⁸ .

Among the "guidelines" formulated by the various trade associations for the creation of organizational models, undoubtedly of particular importance are those outlined by Confindustria, which have been applied in the drafting of this Model. In addition, recourse was also made to the "*Consolidated Principles for the drafting of organizational models and the activity of the supervisory body and prospects for the revision of Legislative Decree No. 231 of June 8, 2001,*" drawn up by the multidisciplinary working group of the National Council of Certified Public Accountants and

²⁶ See Art. 6(2) of the Decree.

²⁷ See Art. 7(4) of the Decree.

²⁸ See Art. 6(6) of the Decree.

Accounting Experts, the Italian Banking Association (ABI), the National Forensic Council (CNF) as well as Confindustria itself.

Well, in light of the guidance provided by the aforementioned guidelines, the essential steps for the implementation of a sound organizational model are:

- 1) the punctual identification of risks, i.e., the analysis of the company context that makes it possible to point out where (i.e., in which area/sector of activity) and in what manner facts of crime provided for by the Decree may occur;
- 2) The design of an appropriate control system to effectively counter the identified risks of crime, eliminating them or reducing them to an acceptable level, noting, if necessary, whether they should be updated.

Proper management of the risk of crime requires assessing, preliminarily and through a careful *risk assessment* activity, its **intensity**, through the synthesis of two distinct factors: the **likelihood** of the crime occurring and the **impact** of the crime, in terms of detrimental consequences for the entity and/or third parties. This evaluation process must be carried out with some continuity, or at any rate with adequate periodicity, particularly at times of corporate reorganization (e.g., changes in *governance*, opening of new offices, start of new activities or changes in the way existing ones are carried out, mergers, acquisitions and other extraordinary transactions, etc.). An adequate system of preventive control does not necessarily require the elimination of the risk of crime (sometimes not even realizable in practice), since the containment of risk to an "acceptable" level may be sufficient: in fact, it is clear that the control safeguards that can be adopted in the abstract are potentially infinite, but they would risk making it impossible for the entity to carry out its activities; consequently, it is necessary to define a "threshold of acceptability," i.e., a reasonable number of safeguards in order to avoid excessively stiffening the regular performance of the activity. This threshold of acceptability is represented by a system of prevention that cannot be circumvented except fraudulently: in other words, in the realization of the unlawful act the perpetrator of the crime will be forced to "force", by abuse of power or otherwise fraudulently, the set of control and prevention measures adopted by the entity.

According to the most authoritative guidelines, in order for the organizational model to be considered effective (and therefore suitable), it must cover:

- A Code of Ethics;
- Sufficiently clear and formalized internal organization, especially with regard to the allocation of responsibilities;
- A system of procedures, manual and/or computerized, that regulate the main activities of the institution by providing for a precise separation of duties and roles among those who carry out crucial activities (initiative, authorization, execution and control) within the same process (with particular attention to the management of financial flows);
- A clear, consistent and adequately formalized allocation of authorizing and signing authority;
- an adequate system of staff communication and training, as well as training where required, that is thorough, effective, detailed, clear and repeated periodically;

- A system of safeguards and controls consistent with the entity's operational management and capable of containing the level of risk-offense within acceptable thresholds;
- An organizational structure on occupational health and safety that: **(a)** assigns responsibilities on the basis of a competence criterion; **(b)** ensures continuous and systematic monitoring of preventive needs in the workplace; **(c)** ensures communication among all personnel and full involvement of the corporate figures required by the regulations, including through periodic meetings.

In any case, the content and provisions of the organizational model must be guided by at least the following principles:

- every operation, transaction, action (including control) must be verifiable, documented, consistent and congruous;
- no one should be able to manage an entire process independently, so it is necessary that: **(1)** no one is given unlimited powers; **(2)** responsibilities and powers are clearly defined and known within the corporate organization; and **(3)** authorization and signature powers are consistent with assigned organizational responsibilities.

CHAPTER 2 - CORPORATE STRUCTURE OF VETROELITE

2.1. VETROELITE S.r.l.

VETROELITE IS A limited liability company under Italian law based in Ormelle (TV), specializing in the design, manufacture and marketing of high-end glass products (namely bottles, or more generally containers and packaging), possibly with special decorations or closures. The COMPANY is present in other countries through its own sales agents or through related companies.

2.2. Organizational structure and roles

The organizational structure of the COMPANY ensures the implementation of strategies and the achievement of objectives defined by the Administrative Body, drawing inspiration from criteria of maximum efficiency and operational effectiveness and ensuring the separation of tasks and responsibilities, avoiding - conversely - the overlapping of functions and the mixing of roles.

2.2.1. VETROELITE's *corporate governance* and proxy and power of attorney system

The COMPANY is currently administered by a Board of Directors, composed of four directors; the internal articulation of the Board of Directors contemplates, pursuant to Article 2381 of the Civil Code, the assignment of proxies to the Chairman of the Board; the Chairman of the Board of Directors and Chief Executive Officer is also assigned the legal representation of the company. Management is conducted through a precise system of proxies, with powers exercisable by single or joint signature depending on the type (ordinary or extraordinary) and extent of the operation. As a result, only individuals with formal and specific powers can commit the COMPANY TO third parties. Adequate publicity is given to these powers, resulting from proxies and powers of attorney kept in the Administrative Department.

The Chief Executive Officer is responsible for acting as a coordinator between the various company Departments, as well as for representing the main interlocutor - externally - in relations with third parties.

In addition to the Board of Directors, VETROELITE's *corporate governance* system also contemplates the Board of Statutory Auditors-formed by three regular members and two alternates-and, with the adoption of the MODEL, a Supervisory Board, single-member in nature, formed by an external member.

2.2.2. The business articulation

VETROELITE's corporate organization includes, as its operational top management, the figure of the Managing Director, to whom the heads of the various company Departments, divided into Sales Management, Administrative Management, Purchasing Management, Technical/Quality Management and Logistics Management, report.

The Chief **Executive Officer** (or "CEO") of the COMPANY directs the general policy of VETROELITE, planning and developing the production and marketing of products. Within the COMPANY, he ensures

that there is proper allocation of resources, both human and material, defining-in consultation with the heads of Company Departments-short-, medium-, and long-term objectives, supervising their implementation.

Specifically:

- assesses *business* opportunities, selecting possible investments particularly in those places where the Company does not yet have a presence;
- assumes the representation of the COMPANY before entities, both public and private, as well as before the Public Administration and Public Authorities, especially the Judicial Authority;
- Directs and coordinates corporate departments, helping to identify and define the best processes and ways of working;
- supervises that the COMPANY is provided with the tools, training and autonomy necessary to achieve its objectives, in accordance with the principles of effectiveness and efficiency;
- Takes part in any inspections/accesses of Public Authorities, as well as administrative proceedings related to permits, authorizations or licenses;
- promotes and maintains relations with public bodies and Authorities in order to strengthen VETROELITE's position within the Italian and international markets;
- Ensures coordination of corporate operations;
- Makes major strategic decisions for the COMPANY.

The **Commercial Department** is responsible for setting the COMPANY's commercial policies as well as for collecting orders. The Commercial Management contemplates, on the one hand, Sales Managers, each of whom is assigned responsibility for a specific market (which may include several countries), and *Customer Service*, on the other hand, which is responsible for taking care of the execution of orders achieved by the Sales people. The Sales Department is divided into various *teams*, subdivided by geographical area of activity, each of which has at its top a Sales Manager-who is responsible for supervising on the main projects proposed by the Agents-who reports to the Sales Director. The latter thus represents the point of connection between the Company and the entire sales force present in the various markets of VETROELITE's operations, providing for the definition of the commercial policies - defining the objectives and strategies to be undertaken, both quantitatively and qualitatively - of the Company and supervising the definition of the economic aspects of the most significant commercial initiatives, in order to ensure the achievement of the expected profitability; under this last aspect, it takes care of the economic valorization and profitability analysis of commercial projects, proposing, if necessary, the appropriate modifications in order to ensure that the projects themselves are carried out respecting the predetermined conditions of duration, quality and cost. *Customer Service* contemplates several employees, each of whom provides operational support to Agents according to a breakdown by geographic area of activity; *Customer Service* is the *link* between Sales Management, Purchasing Management, Technical Management and Logistics Management. Finally, *Customer Service* deals with all after-sales issues.

The Administrative **Department (or "Administration")** ensures--*first and foremost*--that all management operations find timely recording in the accounting records, in order to ensure compliance with accounting, tax, fiscal and social security obligations. Al suo interno, il personale si occupa delle funzioni di: tesoreria, contabilità clienti, gestione dei crediti, ciclo passivo di fatturazione, gestione dei pagamenti, contabilità fornitori, ciclo attivo di fatturazione (c.d. fatturazione anticipata), gestione amministrativa del personale e pagamento di imposte e tributi. The

Administrative Director, with the support of the functions included in his or her Department, in particular:

- Supervises the process of preparing accounting records;
- Takes care of relations with banking institutions;
- handles relations with the Board of Directors, the Board of Statutory Auditors and the statutory auditor, and also maintains the company's books;
- Provides, also with the support of external consultants, for the preparation of the draft budget;
- Manages relationships with external consultants, providing necessary information;
- deals, also with the help of outside consultants, with payroll management and related tax and social security obligations;
- is in charge of the control and reconnaissance of management operations, in consultation with the Head of Management Control;
- Coordinates and supervises billing activity, both active and passive;
- Oversees tax, fiscal, social security and social contribution obligations.

The **Purchasing Department provides for** the procurement of products commissioned by Vetroelite from its suppliers (glassworks, decorators, etc.), both catalog items (possibly *customized*) and items made *from scratch* to customer order. In particular, the Purchasing Department provides operational support to the Sales Department in structuring orders, providing timely quotation of projects submitted by the Sales Department.

The **Technical/Quality Department is** divided into the Technical Office, which is in charge of the conception, design and implementation phase (possibly with the support of the Marketing Strategist and Creative Director) of the items handled by the Company, and the Quality Office, which is responsible for overseeing the quality of the items made on behalf of the Company by suppliers (glassworks and subcontractors).

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It is the responsibility of the **Logistics Department** to take care of - on the one hand - the procurement of products from glassworks or other suppliers (so-called *inbound* logistics) and - on the other hand - the delivery of the product to the customer (*outbound* logistics) and at the top of which is a Manager reporting to the CEO; this Corporate Department is divided into the Distributive Logistics Office and the Internal Logistics Office. Distributive Logistics, among other things, oversees the fulfillment of all customs formalities, while Internal Logistics takes care of the proper storage of products in the COMPANY's warehouses.

The **Marketing Manager** (or "**Marketing Specialist**") is in charge of promoting VETROELITE's business, image and products through communication strategies, the definition of promotional campaigns and the enhancement (including participation in trade fairs and events) of the products marketed by the COMPANY, as well as all of its other *assets*, supporting the other Departments in the achievement of set objectives in terms of performance and profitability, innovation and efficiency. The Marketing Strategist is assisted by a Marketing Consultant (forming the **Marketing Department**) and intervenes, as does the Creative Director, in the development of new products to be introduced in the Vetroelite catalog. The **Creative Director** is the function that most provides *input* for the development of new items, also contributing to the *customization* (or *customization*) of items already in the Vetroelite catalog based on customer requirements.

The **Head of Management Control** (or group "**Controller**") monitors the "consistency" between the *budget* forecasts and the periodic results transmitted by the various business units, identifying the costs and revenues of the various business activities so as to define the profitability of the Company, including at the group level. Assists the CEO in establishing annual *budgets* for the various corporate activities.

The **Head of Human Resources** (or "**HR**," a function that is currently outsourced) supports the CEO in the proper planning of staffing and labor costs, helping to define policies related to *the grading and compensation of* human resources. In addition, the head of HR:

- Manages the human resource selection process;
- provides-along with the Supervisory Board and with the cooperation of the heads of company departments-internal training;
- Supervises compliance with labor regulations and welfare;
- Supports the CEO in the disciplinary process.

The COMPANY also contemplates the figure of an **IT Manager, who is responsible for** supervising over the management of the company's information systems, which are usually *outsourced* to leading operators in the sector, and for ensuring their proper functioning.

Finally, the COMPANY HOLDS **ISO 9001:2015** certification and obtained a positive assessment of **ESG** (*Environmental, Social and Corporate Governance*) profiles on April 25, 2021.

CHAPTER 3 - THE VETROELITE MODEL

3.1. The VETROELITE S.r.l. project

Although the Decree does not require entities to have an organizational model, VETROELITE nevertheless deemed it appropriate to proceed with its adoption, and consequently appointed a Supervisory Board so as to strengthen its internal control system.

The Model, together with the Code of Ethics, the organizational procedures and the *policies*, instructions and provisions issued by the COMPANY, constitutes an effective tool - on the one hand - for the prevention of offences and - on the other - for the detection of any possible violation of the law. It also aims at raising the awareness of all the representatives of VETROELITE to comply with the regulations in force and the procedures in place, helping to determine a full awareness, in these individuals, of the seriousness of the commission of an offence; on the other hand, the Model allows the COMPANY, in the presence of deviant situations, to react in a timely and effective manner. The principles and rules outlined in the Model are of a general nature, imposing themselves with respect to all company activities and not only those qualified as "risky" or "sensitive."

3.2. The functions and objectives of the VETROELITE Model

The purpose of the Model is to introduce, or in any case to standardize and rationalize, company protocols and procedures relating to activities at risk of the commission of alleged crimes, for the specific purpose of preventing their occurrence. The Model has, therefore, the function of:

- Identify **sensitive activities** carried out by corporate functions, as well as by companies or third-party professionals under *outsourcing* arrangements, which due to their particular type may entail the risk of committing a predicate offense under the Decree;
- Analyze potential risks with regard to the possible ways in which crimes can be committed in relation to the COMPANY's internal and external operating environment;
- Evaluate the existing system of preventive controls and adjust it, if necessary, to ensure that the risk of crimes being committed is reduced to an acceptable level;
- To define a system of principles and rules that establishes: **(a)** general lines of conduct (Code of Ethics and General Section); **(b)** specific organizational procedures aimed at regulating company activities in sensitive sectors (articulated within the General Section and individual Special Sections);
- Structure a control system that can promptly report the existence and occurrence of general and/or particular critical situations;
- articulate a system of communication and training for personnel that allows for the knowability of the Model itself, the Code of Ethics, the internal organizational structure and attribution of authorization powers, lines of hierarchical dependence, procedures, information flows, and everything that contributes to the transparency of the company's activities;

- Establish and assign to the Supervisory Board specific responsibilities regarding the control of the effectiveness, adequacy and updating of the Model;
- To define a disciplinary and penalty system for violation of the provisions of the Code of Ethics and the procedures set forth in the Model.

3.3. The activities preparatory to the adoption of the Model

In 2020 VETROELITE initiated a project aimed at adopting an organizational model and, to this end, carried out a series of preparatory activities, divided into phases, directed at the evaluation and possible implementation of the current internal organizational structure, with particular reference to the system of prevention and management of crime risks.

Specifically, the **phases** in which the path leading to the adoption of the Model were as follows.

PHASES	ACTIVITIES
STAGE 1	<p>PROJECT INITIATION-ORGANIZATIONAL AND CONTROL STRUCTURE ANALYSIS</p> <ul style="list-style-type: none"> ➤ Submission of the <i>business plan</i> to the Administrative Body of the COMPANY; ➤ evaluation of the company's corporate structure, organizational structure and control system, as well as the operating methods used by the COMPANY for the most important processes.
STAGE 2	<p>SURVEY OF SENSITIVE PROCESSES AND ACTIVITIES</p> <ul style="list-style-type: none"> ➤ Identification of the processes and activities within the scope of which the predicate offenses can abstractly be committed (so-called sensitive processes/activities, the list of which is contained in separate documents); ➤ identification of key officers, i.e., individuals who, based on their assigned functions and responsibilities, have in-depth knowledge of sensitive activities, the operating methods adopted, and related controls, for the purpose of conducting targeted interviews.
STAGE 3	<p>INTERVIEWS WITH KEY OFFICERS</p> <ul style="list-style-type: none"> ➤ conducting targeted interviews with <i>key officers</i> to enable identification of sensitive activities and practices (even if not formalized in special procedures) followed by the COMPANY, as well as the safeguards and controls that exist at present.
STAGE 4	<p>GAP ANALYSIS</p> <ul style="list-style-type: none"> ➤ Summary of the picture that emerged from the interviews with <i>key officers</i> and the results of the organizational analysis; ➤ identification of crime risks; reconnaissance of possible critical situations and suggestion of organizational and procedural interventions for strengthening the internal control system.

STEP 5**PROCESSING OF THE MODEL**

- preparation of the organizational model, in the light of the most authoritative guidelines and according to the main jurisprudential and doctrinal arrests on the subject.

3.4. The structure of VETROELITE's Organization, Management and Control Model.

VETROELITE has adopted its Model on the basis of the most recent regulatory interventions and the main jurisprudential and doctrinal indications on the subject of the administrative responsibility of entities, adapting the principles of the subject to its own organizational peculiarities; in this way, the COMPANY has implemented an additional and articulated organizational safeguard against the possibility of the commission of crimes in the exercise of its business activities.

As anticipated, the Model consists of a General Part and multiple Special Parts, in addition to the Code of Ethics. The **General Part** contains:

- a) An illustration of the regulatory framework of the Decree;
- b) A description of the organizational structure of the COMPANY;
- c) The identification of the recipients of the Model;
- d) The definition of the structure and operation of the Supervisory Board;
- e) The reconnaissance of information flows within the COMPANY;
- f) The indication of training and communication activities towards staff;
- g) the description of the disciplinary system, suitable for sanctioning profiles of deviance and transgression of the Model itself.

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The **Special Sections** identify the sensitive areas or activities within the Company-that is, those areas with a higher level of risk of commission of offenses-and the predicate offenses that can potentially be committed within them. Each Special Part then contains descriptions of existing procedures and controls, with declination of specific protocols aimed at preventing the commission of predicate offenses.

3.4.1. The organizational structure of VETROELITE

VETROELITE's organizational structure, with reference to the responsibilities assigned, lines of functional reporting and hierarchical dependence, is adequately formalized and represented, graphically, by the corporate organizational chart.

3.4.2. The principles of control

In adopting the Model, the COMPANY intended to crystallize:

- The formal definition of the duties and responsibilities of each corporate function, with particular reference to those involved in sensitive activities at risk of crime;
- The allocation of decision-making responsibilities in a manner commensurate with the powers and degree of authority conferred;

- the principle of segregation of duties in the management of individual sensitive activities, providing for the assignment to different individuals of the relevant crucial stages represented by the **initiative, authorization, execution, control and archiving**;
- The precise regulation of risk-offense activities through special procedures that provide, among other things, appropriate control safeguards (audits, reconciliations, etc.);
- timely documentation of the controls carried out, ensuring the possibility of retracing the verification activities carried out and assessing the consistency of the methodologies adopted and the correctness of the results that emerged;
- the verifiability of each operation or transaction, so that it is possible, by means of appropriate documentation, to assess its consistency and appropriateness as well as to identify the relevant responsibilities. To this end, it is necessary to ensure that every activity is traceable by means of adequate documentary support, which is always available for consultation and auditing. The traceability of transactions is ensured with a higher level of certainty through the use of information systems (e.g., internal *e-mails*). Accordingly, it is desirable that for each transaction the person who provided it can be easily identified:
 - a) To the proposal/initiative;
 - b) To authorization;
 - c) To implementation/execution;
 - d) to control;
 - e) To registration/archiving.

3.4.3. The cash flow management system

Case law, including foreign case law, shows that the commission of many of the predicate offenses is often made possible by improper management of financial flows; for this reason, the Decree requires that organizational models provide for "*methods of managing financial resources suitable for preventing the commission of offenses.*"²⁹.

In order to prevent improper management of financial resources, the COMPANY provides for the separation, adequately formalized, of tasks in the key phases of the related process (of initiative, authorization, execution, control and archiving). In particular, with respect to each individual transaction, traceability of the acts and the related decision-making process is provided for, with punctual reconnaissance of the authorization levels, differently articulated according to the nature and value of the transaction; in addition, the competent corporate functions proceed to the execution of payments only after reconnaissance of the related supporting documentation (e.g. order, contract, letter of assignment, DDT, invoice), providing, finally, for a systematic comparison between the accounting results, internal accounts and bank exposures.

²⁹ See Article 6, paragraph 2(c) of the Decree.

3.4.4. Prevention principles and protocols

To complement and further define the principles and values expressed in the Code of Ethics, VETROELITE's Model outlines **prevention principles** that inspire both the **general prevention protocols**, set forth in the General Section, and the individual **specific prevention protocols**, set forth in the Special Sections.

In particular, the SOCIETY IS guided by the **principles** of:

- **Regulation**, such that the company's operations are punctually regulated by formalized procedures so as to clearly indicate the principles of conduct and operating methods for carrying out sensitive activities;
- **Traceability**, so that: (1) business operations are adequately documented and the related documentation properly filed, kept in such a way that it cannot be subsequently modified except with appropriate evidence; (2) each operation is verifiable *a posteriori*, so through the filed documentation it is possible to accurately reconstruct the decision-making and authorization process underlying it as well as to identify the related responsibilities;
- **Segregation of duties**, making provision for each transaction to be carried out by several different parties who are responsible for its proposal, authorization, execution and control, respectively, as well as the filing of related documentation.

Finally, the authorizing and signing powers assigned within the COMPANY are: (1) consistent with the organizational and managerial responsibilities assigned, providing for the indication of approval thresholds for expenditures; (2) clearly defined and known within the COMPANY and adequately publicized externally. The corporate roles to which the power to financially commit the COMPANY IS assigned are precisely defined, also specifying the limits and nature of the same.

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3.4.4.1. General prevention protocols

With respect to sensitive activities, for which reference is made to the Special Parts, the **general prevention protocols** stipulate that for all operations:

- management, coordination and control responsibilities within the company are formalized;
- the assignment and exercise of powers within a decision-making process is congruent with positions of responsibility and the significance of the underlying economic transactions;
- access to and intervention in the COMPANY's data - as well as access to documents already archived - is allowed only to authorized persons, in accordance with current legislation (including European legislation);
- Confidentiality is guaranteed in the transmission of information.

3.4.4.2. Specific prevention protocols

Each sensitive activity (as indicated in the Special Sections) is punctually regulated by specific protocols aimed at minimizing (or eliminating where possible) the risk of the perpetration of predicate offenses and contemplates a Process Manager, i.e., the one who is required to carry out an overall verification regarding the punctual compliance with the procedures set forth in the Model; likewise,

the figure of an Activity Manager is also contemplated, who is responsible for overseeing the performance of the individual process phases (initiative, authorization, execution, etc.).

The **Process Manager**, formally identified within the Special Parts of the Model, ensures that the process as a whole is conducted in compliance with company procedures and *policies*; he is ultimately responsible for *compliance with* regulations and the Model of the overall activity carried out within his process. To this end, he or she must have full visibility over the process referred to his or her responsibility and must have full access to all related information. At the same time, the Process Manager is endowed with the appropriate powers to exercise his or her functions.

In turn, the **Person Responsible for** Activities-always formally and clearly identified in the Special Sections of the Model-must ensure that individual activities are carried out in accordance with internal provisions, as well as with current regulations and the Model, ensuring, moreover, the correctness and completeness of the data related to their activities and provided to the Process Manager.

Both Process Managers and Managers for Activities are required to promptly inform the Supervisory Board in case of any particular critical situations relating to the effectiveness, adequacy and implementation of preventive protocols.

CHAPTER 4 - THE SUPERVISORY BOARD

4.1. The Supervisory Board of VETROELITE S.r.l.

For the purposes of exclusion of liability under the Decree, the entity is required to establish an internal body³⁰ with autonomous powers of initiative and control. This body - referred to in practice as the "Supervisory Body" (hereinafter, also the "Body" or "SB") - must be entrusted with the task of supervising the operation of and compliance with the Model, as well as with the task of ensuring that it is updated.

Best practices-and the main case law precedents-suggest that this body should be different from the administrative body and the internal control body; it can be collegial in nature, contemplating the co-presence of external members (among whom to elect, hopefully, the chairman) and internal members of the entity, or monocratic in nature (advisable with respect to small and medium-sized businesses).

Specifically, the Supervisory Board must possess, as a whole, the requirements of:

- 1) **autonomy and independence**, such that the Body, in order to verify the observance and correct application of the Model, can undertake any control initiative, with the possibility of accessing without any limitation all company information - held by anyone - considered relevant by the same. In order to avoid any kind of interference and/or conditioning by any exponent - apical or subordinate - of the COMPANY, the Body is included as a *staff* unit with respect to top management; its members have no operational tasks and do not participate in any company activity or decision;
- 2) **professionalism**, so that the members of the Body must possess - on the whole - adequate technical expertise in legal matters, with particular regard to corporate or criminal law, as well as in the field of internal control systems;
- 3) **continuity of action**, so that the activity of the Supervisory Board is devoted exclusively and constantly to the supervision of the Model, including through meetings to be held with appropriate periodicity.

4.2. General principles relating to the Supervisory Board of VETROELITE S.r.l.

4.2.1. Appointment and termination of office

In accordance with the indications contained in the Decree³¹, and considering its own organizational structure as well as the interpretative developments in doctrine and jurisprudence, VETROELITE intends to appoint a single-member **Supervisory Board**, composed of a member external to the COMPANY and possessing the necessary characteristics of professionalism, honorability, independence and autonomy of action, as well as having appropriate expertise in criminal law, *compliance* and corporate control.

The Supervisory Board is appointed by the Board of Directors and holds office for three fiscal years, ceasing its functions on the date of the Shareholders' Meeting convened to approve the financial

³⁰ Article 6(1)(b) of the Decree.

³¹ See Article 6, paragraph 1(b) of the Decree.

statements for the last fiscal year of the office. Even if it ceases due to the expiration of the term, the Supervisory Board remains in office - under a regime of *extension* - until the appointment of new members takes place. Members of the Supervisory Board may be re-elected no more than three times.

4.2.2. Causes of ineligibility and disqualification from office

Appointment as a member of VETROELITE's Supervisory Board is subject to the absence of causes of ineligibility such as:

- 1) The performance of administrative functions, even without delegated authority, for the benefit of the COMPANY or subsidiaries/associates;
- 2) the existence of relationships of kinship, marriage (or situations comparable in fact to the same) or affinity within the fourth degree with members of the Corporate Bodies (Board of Directors and Board of Statutory Auditors) of VETROELITE and/or other subsidiary/associated companies, with the persons in charge of the statutory audit of the accounts and with those who exercise top management or control functions in the COMPANY;
- 3) the occurrence of situations of conflict of interest-even potential-conflict-with the COMPANY such as to undermine the independence required by the function;
- 4) Ownership, even indirectly, of shareholdings of such a magnitude as to enable dominant or significant influence to be exercised over the COMPANY or other subsidiaries/associates³² ;
- 5) having been convicted of a crime, even if not final, or a measure that otherwise establishes their responsibility (e.g., plea bargain or criminal decree of conviction), in Italy or abroad:
 - (a) for the crimes referred to in the Decree;
 - (b) for other crimes otherwise affecting professional respectability;
 - (c) which entails-as an ancillary punishment-a disqualification, even temporary, from public office, or a temporary disqualification from the executive offices of legal persons and enterprises.

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At the time of accepting the appointment, the member is required to certify, by means of a declaration to be submitted to the Board of Directors for evaluation, the absence of a cause of ineligibility. The recurrence of a reason for ineligibility determines, if the appointment has already taken place, the automatic disqualification from office, of which the Board of Directors must be promptly informed for appropriate determinations and the reconstitution of the Body.

4.2.3. Waiver, replacement and revocation

The member of the Supervisory Board may resign from office at any time, with the obligation to give written notice to the Board of Directors, which shall promptly replace the resigning member; the resigning member shall continue in his or her duties under a regime of *extension* until actual replacement.

The Board of Directors may dismiss the member of the Supervisory Board only for just cause, subject to the favorable opinion of the Board of Statutory Auditors. At the same time, the Board of Directors

³² Cf. art. 2359 c.c.

must provide for the replacement of the revoked member. The Supervisory Board is protected against any form of retaliation and/or discrimination because of the functions performed.

4.2.4. Discipline of the Supervisory Board

The Supervisory Board shall provide itself with its own **regulations**, in which it establishes in detail the methods and timing of its operation, with particular regard to the regulation of inspection and supervisory activities, any meetings also with other corporate functions and/or with the Corporate Bodies, and information flows to and from the various corporate functions.

4.2.5. Conflicts of interest

In the event that, in the performance of his or her duties, the member of the Supervisory Board finds himself or herself in a situation of potential or current conflict of interest with the COMPANY with respect to a single activity, he or she must refrain from the relevant task by immediately notifying the Board of Directors.

In such a case, if necessary, the Board of Directors shall appoint another member, who shall replace the abstaining member, only for the performance of the functions and/or individual activities in which the conflict of interest arose.

4.2.6. Compensation and reimbursement of expenses

The Board of Directors establishes, at the time of appointment or by subsequent resolution, the remuneration due to the member of the Supervisory Board. In any case, expenses incurred by the member of the Body in the performance of his or her duties must be reimbursed, if there is adequate supporting documentation.

4.2.7. Spending powers

In order for the Supervisory Board to be characterized by effective autonomy of action and independence, it is endowed with an adequate annual *budget*, approved by the Board of Directors at the proposal of the Board itself. Of the financial resources thus made available, the Body will be able to dispose of them for any need necessary for the proper performance of its duties, having to report to the Administrative Body on their use. Moreover, in the presence of proven and justified reasons, the Body may exceed the *budget* at its disposal, subject, however, to the need to obtain *ex post* ratification by the Board of Directors.

4.3. Functions of the Supervisory Board

In the performance of its functions of supervising the functioning and observance of the Model, as well as taking care of its updating, the Body is assured the full support of all company functions and structures, as well as of the COMPANY's collaborators and consultants, including external ones;

likewise, in the performance of its functions the Body may also avail itself of the work of external consultants specifically appointed by the same, always under its direct responsibility and supervision.

No body or function of the COMPANY is permitted to review the merits of the work and activities of the Supervisory Board; nevertheless, the Board of Directors must verify that the Board is carrying out the tasks assigned to it, since, in the final analysis, the responsibility for the functioning and effectiveness of the Model still rests with the Management Body.

4.3.1. Duties and powers of the Supervisory Board

The Supervisory Board exercises **powers/duties**:

- 1) **of inspection and verification**; in order to adequately control the sensitive areas and activities, as well as the effectiveness of the control safeguards, the Body may carry out investigations, verifications and inspections, both periodically and in response to specific needs (e.g., following any reports), including unannounced. The Body may do so individually or with the support of the COMPANY's control functions and/or external consultants (albeit always under the direct supervision and responsibility of the Body); for this purpose, the Body may freely access any office, unit and/or company management and request any information, document or data related to the COMPANY deemed relevant, from anyone held;
- 2) **of monitoring** the actual degree of application of the Model as well as the Model's ability, on the one hand, to prevent the commission of predicate offenses and, on the other, to bring to light any deviant conduct in a timely manner; the Body is also required to re-evaluate - periodically - the mapping system of sensitive activities;
- 3) **of guidance and training**, as the Body can (and should):
 - (a) to indicate to the relevant corporate functions improvements in the control system and, more generally, in corporate procedures, with a view to eliminating or mitigating the risk of crime;
 - (b) report to the Administrative Body the need to update the Model (with precise indication of the necessary corrective measures), in particular in the face of significant violations of its prescriptions or significant changes in the COMPANY's organizational structure, in the presence of regulatory novelties and jurisprudential developments as well as in any other case the Body deems appropriate;
 - (c) to promote, also with the help of the other corporate functions and/or external consultants, the training of the recipients of the Model, by means of special courses and meetings on the risks of crime related to the activity carried out by VETROELITE;
 - (d) propose appropriate ways of disseminating the Model to third parties as well;
 - (e) provide, where requested, adequate clarification of the Model and - in general - of the Decree's regulatory system;
 - (f) Promote the institution of disciplinary proceedings in case of established violations of the Model.

4.4. Information flows to the Supervisory Board

It has been said that for the suitability of the organization and management model, it is necessary that "information obligations"³³ towards the Supervisory Board "*relating both to the performance of sensitive activities and to anomalous situations or possible violations of the Model*"³⁴. In this regard, the main guidelines, as well as case law and doctrine on the subject, suggest the provision of both special information flows to the Supervisory Board and special reporting by the Board itself and directed to the Corporate Bodies.

Well, information flows *to* the Body are divided into: (a) "predefined information flows," of periodic frequency and originating from the corporate functions delegated to manage sensitive activities; (b) and "*ad hoc*" or event-driven information flows, which must be carried out upon the occurrence of particular events, such as news of the existence of criminal proceedings involving a representative - senior or subordinate - of the COMPANY. Finally, a peculiar form of information flows to the Body is represented by reports of suspected violations of the Model.

In turn, the Body is required to periodically inform the Corporate Bodies of the supervisory activity carried out as well as of any violations of the Model, which is an essential step for the establishment of disciplinary proceedings.

4.4.1. Information flows to the Supervisory Board

On a regular basis, the Supervisory Board must be updated by company functions on the main information related to the application of the Model in the area of sensitive activities. It has been said that flows to the Body can be divided into periodic and *ad hoc* (or event-driven). As far as **periodic reporting** is concerned, the heads of company departments represent the contact persons of the Body in relation to the application of the Model in their respective departments. They are in charge of ordinary *reporting* to the Supervisory Board: to this end, on at least an annual basis, the heads of company Departments send a written report with a summary indication of the activity carried out and the degree of implementation and application of the Model in their respective areas of competence, indicating - in particular - any anomalies or critical issues encountered and the main events that occurred. With the same frequency, the Supervisory Board must be updated on any civil, criminal, administrative, tax or disciplinary proceedings underway involving the COMPANY; with respect to concluded proceedings, the Board must receive punctual reports on the outcome (including archiving), with an exhaustive indication of the reasons, any sanctions imposed and the measures adopted. Similarly, the Body must be informed about extraordinary operations carried out by the COMPANY.

With reference, on the other hand, to **event-driven information flows**, the Board must be informed in writing of: (a) any organizational notices adopted; (b) organizational changes that have taken place in the area of sensitive activities; and (c) the introduction or updating of company procedures or guidelines. In addition, it must be promptly informed upon the occurrence of particular events, and thus in the case of:

³³ See Article 6(2)(d) of the Decree.

³⁴ See National Council of Certified Public Accountants Guidelines of December 2018.

- 1) measures, taken by any authority (ASL, Guardia di Finanza, Polizia Giudiziaria, etc.), from which it emerges that investigations are pending, even against unknown persons, for any presupposed crime and in which the COMPANY or one of its exponents, whether apical or subordinate, is involved;
- 2) news, including press reports on the existence of criminal proceedings, even against unknown persons, the facts of which are of interest to the COMPANY;
- 3) request for legal assistance made by one of the Recipients of the Model in the face of the establishment of legal proceedings, civil or criminal, for a predicate offense;
- 4) internal reports to company managements from which critical profiles may emerge regarding compliance with the Model and, in general, with the Decree.

In the above cases, the Body must receive full and detailed information, possibly supported by adequate documentation. Likewise, the Body must be regularly informed by the relevant corporate functions of the COMPANY in this regard:

- 1) To each update of the company's system of proxies and powers of attorney (and related articulation of powers);
- 2) to any relevant changes in the organizational structure of the COMPANY.

4.4.2. Information flows from the Supervisory Board

In carrying out its functions, the Supervisory Board must:

- 1) inform, immediately and in writing, the Board of Directors of any significant critical issues or problems related to the Decree;
- 2) report without delay to the Board of Directors and the Board of Statutory Auditors, for appropriate action, any ascertained violations of the Model that may result in the COMPANY INCURRING liability;
- 3) Transmit, at the end of each fiscal year, a report to the Board of Directors and the Board of Statutory Auditors, indicating: (a) the activity carried out, with an indication of the *budget* used; (b) any anomalies and critical issues encountered; (c) any corrective or improvement initiatives implemented or to be undertaken; (d) the number of reports received; (e) the degree of application and compliance with the Model; (f) of the training on the Decree given during the reporting year; (g) the plan of activities to be carried out during the following year (alternatively, the plan of activities may also be contained in a separate document to be sent at the beginning of each year);
- 4) forward to the Chief Executive Officer, and if necessary for information to the Board of Auditors, a semi-annual report on the progress of the plan of activities for the year in question, with timely indication of any changes made to it.

The Board of Directors, the Chief Executive Officer and the Board of Statutory Auditors may convene the Supervisory Board whenever they deem it appropriate, to report on specific occurrences or facts or to discuss matters deemed of particular importance with regard to the application and observance of the Model; minutes must be taken of the relevant meeting to be delivered, in copy, to the Board.

In addition, the Supervisory Board may communicate the results of its inspection and supervisory activities to the heads of company Departments, if critical issues or areas for improvement emerge, with possible indication of the measures suggested to the Administrative Body. If approved by the Administrative Body, the heads of company Departments are required to eliminate the criticality detected and adopt the reported improvements, providing the Body with an action plan with an indication of the relevant timeframe.

4.5. Information management

The Supervisory Board is required to manage and keep, in a special protected archive (computer or hard copy, the latter located at the COMPANY's registered office), all data and information of which it comes into possession or knowledge in the performance of its functions, including *reports*, reports and - above all - alerts. Such data should be kept under strict confidentiality, again by the Body, for a period of not less than ten years.

CHAPTER 5 - REPORTING

5.1. Background

In accordance with Legislative Decree No. 24/2023, as well as Article 6, co. 2-*bis* of the Decree, special communication systems shall be set up, through which the Supervisory Board-as the manager of reports-must be promptly notified of:

1. The commission, or the well-founded danger of commission, of Predicate Offenses;
2. any violation (or suspected violation) of the Model, including the Code of Ethics, even if only attempted.
3. Offenses that fall within the scope of the European Union or national acts listed in the Annex to Legislative Decree no. 24/2023 or domestic legislation that constitutes their implementation of the acts of European law listed in the Annex to Directive (EU) 2019/1937, relating to the following areas: public procurement; services, products and financial markets and prevention of money laundering and terrorist financing; product safety and compliance; transport safety; environmental protection; radiation protection and nuclear safety; food and feed safety and animal health and welfare; public health; consumer protection; privacy and personal data protection and security of networks and information systems;
4. acts or omissions detrimental to the financial interests of the European Union protected under Article 325 of the Treaty on the Functioning of the European Union;
5. acts or omissions concerning the internal market as referred to in Article 26.2 of the Treaty on the Functioning of the European Union, including violations of EU competition and state aid rules, as well as violations concerning the internal market related to acts that violate corporate tax rules or mechanisms whose purpose is to obtain a tax advantage that frustrates the object or purpose of the applicable corporate tax law;
6. Any conduct likely to frustrate the object or purpose of the provisions set forth in the Union Acts in the areas identified in items 3, 4 and 5;
7. Any other possible administrative, accounting, civil, and criminal offenses of any nature other than the above.

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The reports, in application of Article 1, Paragraph 2 of Legislative Decree No. 24/2023, may not concern:

- disputes, claims or demands for an interest of a personal nature of the reporting person that pertain exclusively to his or her individual working relationships even with hierarchically subordinate figures;
- reports of violations already mandatorily regulated by the European Union acts listed in Part II of the Annex to Legislative Decree No. 24/2023 or by national acts that constitute implementation of the European Union acts listed in Part II of the Annex to Directive (EU) 2019/1937;
- the subject of national security and defense.

5.2. Internal channel

Reports may be brought to the attention of the Supervisory Board:

- (a) in writing. It is expected that the report will be placed in two sealed envelopes: the first with the identifying data of the reporter together with a photocopy of the identification document; the second with the report, so as to separate the identifying data of the reporter from the report. Both should then be placed in a third sealed envelope marked "confidential" to the reporting manager on the outside;
- (b) orally at the request of the reporting person by a face-to-face meeting set within a reasonable time.

If the report is submitted to a person other than the Supervisory Board, where the reporting person expressly declares that he or she wishes to benefit from the protections provided for by Legislative Decree No. 24/2023 or such a willingness can be inferred from the report or from concluding conduct, the report must be transmitted, within seven days of its receipt, to the Supervisory Board, with simultaneous notification of the transmission to the reporting person. Otherwise, if the reporting person does not expressly state that he/she wishes to benefit from the protections, or said willingness cannot be inferred from the report, said report shall be considered as an ordinary report, not subject to the discipline of Legislative Decree No. 24/2023 and the Model.

When submitting a Report, Whistleblowers are encouraged to provide as much detailed information as possible. Providing accurate information allows for a more efficient investigation of the Report.

Specifically, the following categories of data will be collected and processed:

- (a) identity, functions and contact information of the reporter;
- (b) identities, functions, and contacts of the persons named;
- (c) identities, functions, and contacts of persons involved in collecting or processing the report;
- d) reported facts; this category consists of a description of the facts referred to in the report with the time, date and place, as well as other relevant information decided by the reporter;
- (e) evidence collected during the investigation of the report;
- (f) report on assessment activities;
- (g) actions taken as a result of the report.

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In the course of handling the report, the Supervisory Board must:

- a) issue or cause to be issued to the reporter an acknowledgement of receipt of the report within seven days from the date of receipt;
- b) maintain, including through corporate functions, contact with the reporter;
- (c) give appropriate or have the reports followed up;
- d) provide or cause to be provided an acknowledgement to the reporter within three months from the date of the acknowledgement of receipt or, in the absence of such an acknowledgement, within three months from the expiration of the period of seven days from the date of submission of the report.

The reporting management process is structured as follows.

Phase 1 - Preliminary Analysis:

The process of handling the report is initiated the moment the Supervisory Board becomes aware of the report through the above-mentioned information channels. As soon as the report is received, and in any case within seven days from the date of receipt, the Supervisory Board:

- (i) assesses the possible presence of situations that may undermine the independence and impartiality in the management of the reporting of the individual member of the Body. Examples may include:
 - (a) the Supervisory Board is the alleged perpetrator of the violation;
 - (b) the Supervisory Board has a potential interest related to the report such as to compromise impartiality and independence of judgment;
 - (c) the Supervisory Board witnesses the facts that are the subject of the Report.
- (ii) issue or cause to be issued to the reporter notice of receipt of the Report within seven days;
- (iii) where possible (including in subsequent stages), identifies the reporter and other individuals worthy of protection.

Upon the presence of any of the conditions in (i), the Supervisory Board in that position shall refrain from handling the report.

Step 2-Assessment of Eligibility:

The Supervisory Board following Phase 1 makes an initial assessment regarding relevance under Legislative Decree No. 24/2023, as a result of which it may decide to:

- (i) ask or have the reporter ask for further information or additions, especially if what is reported is not adequately substantiated. From the outcome of the further information or additions, the Supervisory Board shall assess whether the conditions set forth in (ii) or (iii) below are met; or
- (ii) Treat the report as inadmissible:
 - (a) manifest unfoundedness due to the absence of appropriate factual elements to justify findings;
 - (b) established generic content of the report such that the facts cannot be understood;
 - (c) reporting with inappropriate or inconclusive documentation;
 - (d) in the case of a report that is not relevant in accordance with Legislative Decree No. 24/2023; if relevant and framed for other issues concerning the Company's business, it informs the competent corporate functions and is handled without the protections regulated herein;
- (iii) consider the report as admissible and proceed with the investigation on the merits.

In any case, the Supervisory Board must provide or cause to be provided feedback to the reporter within three months, from the date of the notice of receipt or, in the absence of such notice, within three months from the expiration of the seven-day period from the date of submission of the report, in the case of preliminary filing.

Phase 3 - Investigation on the merits:

The Supervisory Board following Phase 2, once it has assessed the relevance of the report to Legislative Decree No. 24/2023, proceeds:

- (i) with the activity of investigation and analysis of merit, including through the support of corporate functions and/or through the help of consultants in compliance with the principles of impartiality and confidentiality. In particular, for the conduct of the investigation, the Supervisory Board may initiate a dialogue with the reporter, asking the same for clarifications, documents and additional information, always through the channel dedicated to this in the IT platforms or even in person. Where necessary, it may also acquire acts and documents from other employees or bodies, avail itself of their support, involve third persons through hearings and other requests, always taking care that the protection of the confidentiality of the reporter and the reported person is not compromised;
- (ii) to formalize within three months from the date of the acknowledgement of receipt, or failing that, within three months from the expiration of the seven-day period from the date of submission of the report, the results of the findings made in an appropriate document (*infra*).
- (iii) to provide or cause to be provided feedback to the reporter.

Step 4 - Conclusion of the Instruction:

When the activity of Phase 3 is completed, the Supervisory Board must communicate the outcome, through a written report, detailing the activity carried out to the Management Body and the Board of Auditors:

- (i) in the event of a negative outcome by filing the investigation with adequate justification; if relevant to other issues concerning the Company's business, it shall inform the relevant functions and comes in accordance with the criteria established in the respective regulations;
- (ii) in the event of a positive outcome, thus to the presence of *fumus* on the merits of the report, immediately inform the internal relevant bodies based on the specific competencies.

40**Step 5 - Monitoring and follow-up actions:**

If corrective actions on the internal control system emerge from Phase 4, it is the responsibility of the manager of the area being audited to draw up a corrective action plan for resolving the critical issues found.

The Supervisory Board, to the extent of its competence, monitors the relative status of implementation of corrective actions through follow-ups.

With reference only to reports relevant under Legislative Decree No. 24/2023, should the Supervisory Board find itself in a situation of conflict of interest or in any case in which impartiality and independence in the handling of the report may be affected, the conditions for making a report through an external channel will be met.

Contracts prepared or negotiated by the Company, in place with Third Parties, where possible, must contemplate (except in exceptional cases, to be evaluated on a case-by-case basis) a duty to report immediately to the Supervisory Board if the same: (a) become aware, in the course of their activities with the Company, of violations - even if only presumed or attempted - of the Model; (b) are asked by any Company representative (senior or subordinate) to engage in conduct potentially divergent from the Model.

The Supervisory Board keeps records of all reports received, including but not limited to the following:

- (a) type of report received;
- (b) indication of the reporter and the reporter;
- (c) date of receipt and assessment of admissibility of the report pursuant to Legislative Decree No. 24/2023;
- (d) investigation carried out and the reasons for it;
- (e) documentation received from the reporter, collected during the investigation and any minutes produced.

Documentation related to reports, prepared and/or received during the process of handling them, is strictly confidential. Such documentation is filed and stored in compliance with applicable regulations by the Supervisory Board, including through the appropriate functions.

Reports and related documentation are kept for the time necessary for the processing of the report and in any case no longer than five years from the date of the communication of the final outcome, in compliance with the confidentiality obligations set forth in Article 12 of Legislative Decree No. 24/2023 and the principle set forth in Article 5(1)(e) of the GDPR and Article 3(1)(e) of the Privacy Code, without prejudice to longer retention periods determined by requests or orders of the authorities or the defense of the Company's rights in court.

5.3. External channels

Nothing in the Model prohibits Recipients from reporting any violations of laws or government regulations to the appropriate authority. Recipients do not need the prior authorization of the Company and are not required to notify it in order to forward reports or communications externally.

If the conditions set forth in Article 6 of Legislative Decree No. 24/2023 are met, the Recipient may make an external report to the National Anticorruption Authority (ANAC).

In particular, this happens:

- 1) If the mandatory internal channel:
 - is not active;
 - is active but does not comply with the provisions of the legislature regarding the subjects and methods of submission of relevant reports under Legislative Decree No. 24/2023.
- 2) If the reporter has already made the internal report but it has not been followed up;
- 3) Whether the reporter has reasonable grounds to believe that if he or she made an internal report:
 - the same would not be effectively followed up;
 - this could result in risk of retaliation.
- 4) If the reporter has reasonable grounds to believe that the violation may pose an imminent or obvious danger to the public interest.
- 5) In the event that the Supervisory Board finds itself in a situation of conflict of interest or in any case in which impartiality and independence in the handling of the report may be affected.

In the presence of the conditions stipulated in Article 15 of Legislative Decree No. 24/2023, the Recipient may make a public disclosure. In particular, such disclosure is possible if:

- 1) An internal report that was not responded to by the Company within the prescribed timeframe was followed up by an external report to ANAC, which, in turn, did not respond to the reporter within a reasonable timeframe.
- 2) The whistleblower has already directly made an external report to ANAC, which, however, has not responded to the whistleblower regarding the measures planned or taken to follow up on the Report within a reasonable time.
- 3) The reporter directly makes a public disclosure because he or she has reasonable grounds to believe, based on concrete circumstances and thus, not on mere inferences, that the violation may pose an imminent or obvious danger to the public interest.
- 4) The Whistleblower directly makes a public disclosure because the Whistleblower has reasonable grounds to believe that the external report may pose a risk of retaliation or may not be effectively followed up.

5.4. Reporting

The Supervisory Board prepares the following reports for the Management Body and the Board of Auditors:

- a) a report at the end of the preliminary investigation regarding the handling of the report, with an indication of dismissal and accompanied by the reasons, or with an indication of *fumus* if the report is well-founded. In any case, this end-of-investigation report must contain, bearing in mind the provisions of Legislative Decree No. 24/2023 with respect to the confidentiality of information, the following elements:
 - (i) the type of report received;
 - (ii) an indication of the Reported Person and the Reporting Person;
 - (iii) the date of receipt and eligibility assessment of the report;
 - (iv) the preliminary investigation carried out and the reasons for it;
 - (v) the documentation received from the reporter, collected during the investigation and any minutes produced;
- (b) an annual reporting report containing mainly the reporting files opened in the reporting year and their status.

5.5. Prohibition of retaliation or discrimination

Bona fide whistleblowers are protected from any form of discrimination, retaliation or penalization, and the proper fulfillment of the duty to report may not result in the initiation of disciplinary proceedings or the application of related sanctions. In the handling of reports, confidentiality regarding the identity of the reporter is always guaranteed, without prejudice to the legal obligations and rights of the Company, as well as of persons reported in error or in bad faith.

In particular, the Company ensures that the identity of the whistleblower cannot be disclosed without the whistleblower's express consent and that all parties involved in the handling of the report are required to protect the confidentiality of the report, except in the following cases:

- (a) if there is a liability of the reporter for libel or slander under the provisions of the Criminal Code;

- b) the reporter incurs non-contractual civil liability under Article 2043 of the Civil Code;
- (c) in cases where confidentiality cannot be enforced by law.

Violation of the duty of confidentiality is a source of disciplinary liability, without prejudice to any further liability provided by law.

Any retaliatory action or discriminatory behavior, direct or indirect, against the whistleblower because of the report is prohibited. Discriminatory measures include, pursuant to Legislative Decree No. 24/2023, by way of example:

- (a) dismissal, suspension or equivalent measures;
- (b) grade demotion or non-promotion;
- (c) change of duties, change of workplace, reduction of salary, change of working hours;
- (d) suspension of training or any restriction of access to it;
- (e) negative merit notes or negative references;
- (f) the adoption of disciplinary measures or other penalty, including fines;
- (g) coercion, intimidation, harassment or ostracism;
- (h) discrimination or otherwise unfavorable treatment;
- (i) the failure to convert a fixed-term employment contract into an employment contract of indefinite duration, where the employee had a legitimate expectation of such conversion;
- (j) the non-renewal or early termination of a fixed-term employment contract;
- k) damage, including to the person's reputation, particularly on social media, or economic or financial harm, including loss of economic opportunities and loss of income;
- (l) improper listing on the basis of a formal or informal sector or industry agreement, which may result in the person being unable to find employment in the sector or industry in the future;
- (m) the early termination or cancellation of the contract for the provision of goods or services;
- (n) the cancellation of a license or permit;
- (o) the request to undergo psychiatric or medical examinations.

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The aforementioned protections apply exclusively to relevant reports under Legislative Decree No. 24/2023.

Protective measures also apply:

- (a) to facilitators;
- b) to persons in the same work environment as the reporter and who are related to the reporter by a stable emotional or kinship relationship within the fourth degree;
- c) to co-workers of the whistleblower who work in the same work environment as the whistleblower and have a usual and current relationship with said person;
- d) to entities owned by the reporter or for which the same persons work, as well as entities that operate in the same work environment as the aforementioned persons.

In compliance with the supervisory provisions, the Company adopts the same protection methods provided to guarantee the *privacy* of the whistleblower even for the alleged perpetrator of the violation, without prejudice to any additional form of liability provided for by law that imposes the obligation to disclose the name of the whistleblower (e.g., requests by the judicial authorities).

CHAPTER 6 - CODE OF ETHICS

6.1. The Code of Ethics of VETROELITE S.r.l.

Concurrently with the approval of the Model, VETROELITE also adopted its own Code of Ethics (hereinafter, the "CODE"), containing the wealth of principles and values that inspire the entire company activity and to which the conduct of all Recipients must always conform in their relations with third parties, where they operate on behalf of or in the interest of the COMPANY, and in their relations with the COMPANY itself. Those with apical functions shall constantly ensure that subordinates comply with the principles and values expressed in the CODE.

The Code of Ethics, although the subject of a separate document, constitutes an integral and essential part of the Model, so that any conduct deviating from the principles and values established therein constitutes to all intents and purposes a violation of the Model, with all the related consequences (e.g., activation of the disciplinary system).

6.2. Purpose of the Code of Ethics

The set of rules contained in the Code of Ethics, by conforming corporate behavior to particularly high ethical *standards* and marked by maximum fairness and transparency, guarantees the possibility of safeguarding the interests of the various *stakeholders*, as well as preserving the image and reputation of the COMPANY, while ensuring an ethical approach to the market in which VETROELITE operates.

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6.3. Structure of the Code of Ethics

The VETROELITE Code is divided into a first part, in which the principles of general scope are defined, and a second part, in which the rules of conduct are more clearly defined with respect to some specific areas (e.g., relations with personnel or the P.A., or even with suppliers, etc.).

CHAPTER 7 - DISSEMINATION OF THE MODEL AND STAFF TRAINING

7.1. Background

The effective implementation of the Model requires a wide dissemination of its contents, as well as the principles that permeate the regulatory framework provided for by the Decree, within the COMPANY. Likewise, the Model must be adequately brought to the attention of third parties who, for whatever reason, establish a legally relevant relationship with VETROELITE

Effective awareness of the Model within the COMPANY requires clear, comprehensive and easily accessible communication and training. Recipients of the Model, therefore, must be fully aware:

- Of the risks of crime related to the activity carried out by VETROELITE;
- of company protocols and procedures to be complied with, which are functional in eliminating or mitigating the risk of crime-crime;
- Of the regulatory system provided by the Decree;
- Of the activity carried out by the Supervisory Board and its functionality;
- Of the ethical principles to which they must conform their conduct in carrying out their activities for (or on behalf of) the COMPANY.

7.2. Communication

In order to enable widespread dissemination of the Model, a **full copy of** the Model must be:

- provided in digital format to all personnel of the COMPANY, apical or subordinate, upon acceptance of appointment or upon employment, as well as any significant update or change thereof;
- Published on the corporate *intranet*;
- made available in hard copy at the offices, including secondary offices, and local units of the COMPANY.

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The General Part of the Model and the Code of Ethics must also be:

- published on the SOCIETY's *website*;
- delivered - in digital or paper format - to suppliers, contractors, consultants and external collaborators. The relevant contractual agreements must include acknowledgement and acceptance of them, as well as the duty to comply with their principles and provisions.

7.3. Training

Training on the regulatory system of the Decree and the Model must be appropriately calibrated and diversified according to the recipients and must be provided on an ongoing basis; it is taken care of by the Administrative Body, with the operational support of the head of Human Resources and under the supervision of the Supervisory Board, which establishes the program at the beginning of each financial year. All documentation pertaining to training must be kept by the head of Human Resources.

7.3.1. Apicals

Training of Corporate Bodies and personnel with management functions is ensured by means of special courses, provided in *e-learning* mode, complemented by at least one face-to-face meeting during the financial year. These courses must include ways of verifying learning.

7.3.2. Submitted

The entire staff of VETROELITE is required to become aware of the Model, the principles governing the Decree's regulatory system, the company's protocols and procedures, and the risks of crimes relevant to the activities carried out by the COMPANY.

Training on the subject is provided by the relevant corporate functions under the supervision of the Supervisory Board, also with the help of external consultants, through special courses provided in *e-learning* mode, possibly supplemented through periodic face-to-face meetings.

Courses and meetings must include recording of attendance and *testing of* learning with predetermined frequency.

CHAPTER 8 - DISCIPLINARY SYSTEM

8.1. Function of the disciplinary system

A further requirement of the Model, which is indispensable for its effectiveness in exempting the administrative liability contemplated by the Decree, is the existence of a disciplinary system "*suitable for sanctioning non-compliance with the measures indicated in the model.*"³⁵.

Disciplinary proceedings are managed by the Chief Executive Officer, as employer, with the operational support of the head of Human Resources and, if necessary, in consultation with the heads of the company departments to which the perpetrator of the hypothetical infraction belongs and - if necessary - with the help of external consultants; the proceedings may be initiated at the instigation of both the company departments and the Supervisory Board, including as a result of reports received.

The Supervisory Board periodically verifies the adequacy of the disciplinary system and is constantly informed about the course of any proceedings, right from the notification measure. In particular, the Body is involved throughout the course of the disciplinary proceedings in an advisory capacity, in order to acquire any useful elements for updating the Model. Similarly, it monitors the actions taken by VETROELITE WITH regard to persons outside the COMPANY.

The disciplinary system finds application for any violation of the Model, even if it does not integrate the extremes of a crime or civil offence and, in any case, regardless of whether criminal or civil proceedings are pending. VETROELITE's disciplinary system is marked by the utmost confidentiality and guarantees in all cases respect for the dignity and reputation of the persons involved, in deference to the regulations in force.

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8.2. Violations of the Model and related sanctions

VETROELITE's disciplinary system is inspired by the principle of typicality, so that the conducts that can be considered disciplinary offenses are punctually indicated, as well as the sanctions that can potentially be imposed are clearly enucleated. To this end, the behavioral rules contained in the Model are subject to maximum dissemination. Therefore, they integrate disciplinary offence, susceptible of relative sanction:

- the violation of internal procedures provided for or referred to by the Model, even if they do not result in the risk of a predicate offense being committed;
- violation of the requirements of the Model that result in the risk of the commission of one of the predicate offenses;
- The adoption of conduct that does not comply with the prescriptions of the Model and is unambiguously directed to the commission of one or more predicate offenses;
- the realization of predicate offenses, likely to result in the concrete application against the COMPANY OF sanctions under the Decree;
- the violation of the provisions of Legislative Decree No. 24/2023 on whistleblowing. In particular, the Company will adopt a sanction when (i) it ascertains that retaliation has been

³⁵ See Art. 6(2)(e) and Art. 7(4)(b) of the Decree.

committed or when it ascertains that whistleblowing has been obstructed or attempted to be obstructed or that the obligation of confidentiality set forth in Art. 12 of Legislative Decree no. 24/2023; (ii) ascertains that reporting channels have not been established, that procedures for making and handling reports have not been adopted, or that the adoption of such procedures does not comply with Articles 4 and 5 of Legislative Decree no. 24/2023, as well as when it ascertains that the activity of verification and analysis of the reports received has not been carried out; (iii) in the case referred to in Article 16, paragraph 3 of Legislative Decree no. 24/2023, i.e., when, except as provided in Article 20 of Legislative Decree no. 24/2023, the criminal liability of the reporter for the offenses of defamation or slander or otherwise for the same offenses committed with the report to the judicial or accounting authorities or his civil liability, for the same title, in cases of willful misconduct or gross negligence, is established, even by a judgment of first instance .

Disciplinary sanctions are diversified according to the perpetrator of the violation (apical, subordinate or third party), by virtue of the different relationship with the COMPANY; in deference to the principles of gradualness and proportionality, the type and extent of the sanctions themselves are progressively graduated and are proportionate:

- 1) to the seriousness of the infraction, taking into account: **(a)** the overall conduct of the perpetrator; **(b)** the detrimental effects caused to the COMPANY and/or personnel, both in terms of economically assessable prejudice and in terms of exposure to the risk of sanction under the Decree; **(c)** the duties and functions concretely performed by the perpetrator, and therefore the degree of responsibility and autonomy entrusted to him/her;
- 2) to the degree of intentionality of the conduct, understood - on the one hand - as voluntariness or - on the other - as negligence, recklessness, inexperience;
- 3) to any recidivism, and thus: **(a)** the existence of previous disciplinary action for any offense; **(b)** the repetition of the same offense within the previous two-year period.

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In any case, in the concrete determination of the disciplinary sanction, the opinion of the Supervisory Board, the head of the Department to which the perpetrator of the violation belongs, and the hierarchical superior, if any, must be sought; in addition, all the circumstances of the concrete case must be taken into consideration, always ensuring compliance with the regulations - namely, Civil Code and Workers' Statute³⁶ - and the Statute.

Regardless of the disciplinary proceedings, the COMPANY may always take action for compensation for damages suffered as a result of the Model violation.

8.3 Measures against top executives

With respect to apical individuals, i.e., those who exercise functions of administration, representation, management or control of the entity, VETROELITE's disciplinary system is articulated differently depending on whether the perpetrator of the violation is a member of the Corporate Bodies, or an employee with managerial functions.

8.3.1. Members of the corporate bodies

³⁶ Law No. 300/1970.

In the event of violations of the Model carried out by a Board of Directors and/or a Statutory Auditor, the Supervisory Board shall promptly inform the Board of Directors and the Board of Statutory Auditors in writing, so that they may take the appropriate determinations (e.g., revocation of proxies) and/or convene - in the most serious cases - the Shareholders' Meeting for the resolutions provided for by the Civil Code and the Articles of Association. In case of inaction on the part of the Board of Directors and the Board of Statutory Auditors in convening the Shareholders' Meeting, the Body may directly inform the Shareholders of the violation found. The Body has the right to be admitted to attend the relevant Shareholders' Meeting. The Shareholders' Meeting will assess, on the basis of the concrete circumstances and after hearing the Supervisory Board, the most appropriate measures to be taken, such as suspension from office and salary or revocation; in this regard, violation of the rules and principles of the Model may constitute just cause for revocation. The Supervisory Board must be punctually informed of the reasons underlying the determinations made against the perpetrator of the violation.

8.3.2. Executives

With regard to executives, who have committed a violation of the Model or have allowed its violation by their hierarchical subordinates, the COMPANY rigorously assesses the persistence or otherwise of the fiduciary bond, as an element inherent in the managerial function.

If the violation is of such significance that it severed the bond of trust, dismissal shall take place. Specifically, dismissal with notice is given when the manager has - in a grossly negligent manner - violated the Model or failed to supervise those hierarchically subordinate, thereby enabling them to violate the Model. On the other hand, dismissal without notice is given when the manager has: (a) wilfully failed to supervise his subordinates, thus enabling them to violate the Model; (b) wilfully violated the Model; in this case, the seriousness of the infraction is such that it does not allow the continuation, even temporarily, of the working relationship. The offense is of significant seriousness in the event that the conduct, including omission, of the manager has exposed the COMPANY TO THE risk of being subjected to criminal proceedings and thus to the sanctions provided for in the Decree.

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8.4. Measures against subordinates

The Model is among the "*provisions for the performance and discipline of work*" to which employees must conform their conduct in the performance of their work³⁷. Infringement of the provisions of the Model by employees constitutes, in accordance with the CCNL, a disciplinary offence and is subject to sanction, in accordance with the Workers' Statute and applicable regulations. The Model clearly stipulates the behaviors to be adopted and avoided, as well as the relevant sanctions in case of violation.

Failure by the worker to comply with the provisions of the Model is punished by the application of the following measures depending on the seriousness of the infraction:

- verbal warning;
- written warning;

³⁷ See Articles 2104 and 2105 of the Civil Code.

- Fine (not exceeding four hours' pay);
- Suspension from work and pay (up to a maximum of ten days);
- Dismissal for misconduct with notice;
- Dismissal for misconduct without notice.

Every act related to the proceedings must be communicated to the Supervisory Board for its evaluations.

8.5. Measures against third parties

All existing contractual relationships with the COMPANY (of consultancy, collaboration of any nature, even if only occasional, *internship*, intermediation, supply, contract etc.) must provide for the acknowledgement and acceptance of the Model (understood as the General Part and Code of Ethics) of VETROELITE, as well as the duty of the contractors to comply with its provisions and to report to the Supervisory Board (and, if necessary, to the competent corporate functions of VETROELITE) any violations of the Model of which they have become aware by reason of the contractual relationship with the COMPANY, in the manner contemplated by the General Part of the Model. In addition, contracts may provide that the violation, by third parties, of specific provisions of the Model (and punctually referred to in the agreement itself) may determine the termination - pursuant to Article 1456 of the Civil Code. - of the relevant contract and the application of specific penalties. In this case, this is without prejudice to VETROELITE's right to take action for compensation for damages suffered as a result of the breach. In addition, the contracts provide that, with regard to the third contracting party (natural or legal person) and in relation to the commission of a predicate offense, the infliction of a precautionary measure provided for by the Code of Criminal Procedure or the Decree or even the occurrence of a conviction measure (or application of the penalty at the request of the parties pursuant to the Code of Criminal Procedure) may determine the termination of the contract in accordance with the provisions of Article 1456 of the Italian Civil Code.

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8.6. The procedure disciplinary

Disciplinary proceedings are handled by the Chief Executive Officer (as the original employer), with the operational support of the head of Human Resources. It is initiated at the instigation of the heads of company Departments or the Supervisory Board. If the proceeding is initiated at the *input* of a Company Department, there is a preliminary "pre-investigation" phase conducted by the Supervisory Board, which, within 30 days, having carried out the appropriate checks, orders:

- dismissal, with written reasons, if the report turns out to be unfounded;
- or
- The continuation of the proceedings to the pre-trial stage.

If the proceedings are hinged at the instigation of the Supervisory Board, the preliminary investigation phase is carried out directly. The Managing Director proceeds to the specific and written notification of the disciplinary offence; the subsequent preliminary phase is instructed by the head of Human Resources, possibly with the support of the Supervisory Board and/or the assistance of external

consultants. Following the dispute, an adequate period of time must be guaranteed for the preparation of the defense in line with the provisions of the relevant collective bargaining agreement. The preliminary investigation must be concluded within 45 days from the notification of the offence, unless a longer period is necessary due to the complexity of the investigations, not exceeding three months in any case. This phase must include the hearing of the person concerned and, if necessary, of the hierarchical superior and the head of the relevant company management. If the disciplinary offence is ascertained, the Chief Executive Officer shall impose the disciplinary sanction with a reasoned measure, after hearing the opinion of the Supervisory Board, the head of Human Resources and the hierarchical superior, if any, of the offender. Otherwise, the proceeding is closed with a measure, also reasoned, of dismissal.

Disciplinary proceedings against employees must comply with procedures, provisions and safeguards set forth in the Workers' Statute (see Art. 7) and, as for workers who do not qualify as managers, also in the covenanted regulations (CCNL) on disciplinary measures.

Specifically:

- 1) no disciplinary action against the employee may be taken without first contesting the charge and hearing the employee's defense;
- 2) for disciplinary measures more serious than a verbal warning, a written objection to the employee is required, specifically stating the facts constituting the offense;
- 3) the worker must be given a reasonable period of time to submit counter-arguments in his or her own defense;
- 4) the disciplinary measure must be taken and communicated to the employee within 15 days after the expiration of the period given to the employee to submit his or her counter-arguments. In the face of difficulties in evaluating the counterclaims, this deadline may be extended by 30 days;
- 5) in the event that the offense complained of is serious enough to result in dismissal, the employee may be suspended from work on a precautionary basis until the disciplinary measure is imposed, without prejudice to the right to remuneration for that period;
- 6) any imposition of the disciplinary measure must be justified and communicated in writing to the employee by registered letter;
- 7) Disciplinary measures can be appealed by the employee in accordance with the regulations (including covenants) in force.

CHAPTER 9 - UPDATING THE MODEL

Since the Model is an "*act of issuance of the governing body*"³⁸, amendments and additions to it are reserved to the Board of Directors of VETROELITE. For this purpose, the Administrative Body may avail itself of the support of the Supervisory Board and, if necessary, of external consultants who are experts on the subject. In particular, the Supervisory Board is required to constantly evaluate whether the Model retains the requirements of functionality over time and, if not, to suggest its updating to the Administrative Body by means of timely proposals and observations.

The updating of the Model, therefore, is only promoted by the Supervisory Board, but is still the responsibility of the Board of Directors. The need to do so is assessed by the Supervisory Board on an annual basis; nevertheless, it is still necessary to do so in case of:

1. Changes in the COMPANY's internal organizational structure, including as a result of extraordinary transactions;
2. Changes in the way business activities are carried out;
3. Changes in previously identified sensitive activities or identification of new ones;
4. significant regulatory changes or significant changes in the jurisprudential interpretation of the Decree;
5. violations of the Model;
6. commission of the predicate offenses under the Decree by the Recipients;
7. finding deficiencies, critical issues and/or gaps in the Model's provisions.

³⁸ See Article 6(1)(a) of the Decree.