

# ORGANISATION, MANAGEMENT AND CONTROL MODEL

of the company

*BORROMINI S.r.l.*

# **BORROMINI** s.r.l.

BORROMINI S.r.l. - Viale del Lavoro, 5 37030 COLOGNOLA AI COLLI (VR)

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SPECIAL SECTION "A" – Relations with the public administration – **Omitted\***

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SPECIAL SECTION "B" – Computer crimes – **Omitted\***

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SPECIAL SECTION "C" – Corporate crimes – **Omitted\***

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SPECIAL SECTION "D"- Crimes in breach of workplace health and safety regulations – **Omitted\***

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SPECIAL SECTION "E"- Money laundering, receiving stolen goods and using money, goods or benefits of unlawful origin – **Omitted\***

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SPECIAL SECTION "F" - Crimes against judicial activity – **Omitted\***

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SPECIAL SECTION "G" – Environmental crimes – **Omitted\***

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SPECIAL SECTION "H" – Crime of employing citizens from other countries who are not legally resident in the country – **Omitted\***

\*Available from the company upon request.

**1. DEFINITIONS**

BORROMINI S.r.l. (or the Company)	This refers to the organisation implementing the Organisation, Management and Control Model
Decree	This refers to (Italian) Legislative Decree no. 231 dated 8 <sup>th</sup> June 2001;
Recipients	This refers to all individuals who are obliged to comply with the provisions of the Model, in particular: all those working in the name and on behalf of BORROMINI S.r.l., including directors, statutory auditors, members of any company bodies, employees, collaborators (even if only temporary), business partners, suppliers and the members of the supervisory board.
Entities or Entity	Pursuant to article 1 of the Decree, this refers to entities having legal status, companies and associations, including those without legal status, to which the provisions of the Decree apply, in particular the administrative liability introduced by said Decree;
Guidelines	This refers to the Guidelines on how to draw up the Organisation, Management and Control Model pursuant to (Italian) Legislative Decree no. 231/2001, published by Confindustria on 31 <sup>st</sup> March 2008;
Model	This refers to the Organisation, management and control model pursuant to the Decree;
Predicate Offence	This refers to crimes for which the Decree has introduced administrative liability for Entities. In particular, this refers to the offences identified by articles 24 and 25, and subsequent amendments and integrations, of the Decree;
Testo Unico Sicurezza (Italian Consolidated Safety Law)	This refers to (Italian) Legislative Decree no. 81 dated 9 <sup>th</sup> April 2008, known as the “Consolidated Act on workplace health and safety”;
TUF (Italian Consolidated Law on Finance)	This refers to (Italian) Legislative Decree no. 58 dated 24 <sup>th</sup> February 1998, known as the “Consolidated Law on Financial Intermediation”.

## 2. INTRODUCTION

### 2.1 Rules and regulations on administrative liability of legal entities

Adapting Italian legislation to a number of international regulations and implementing enabling act no. 300 dated 29<sup>th</sup> September 2000, led to the promulgation of (Italian) Legislative Decree no. 231 dated 8<sup>th</sup> June 2001, which came into force on 4<sup>th</sup> July 2001: “Rules and regulations on administrative liability of legal entities, companies and associations, including those without legal status”.

The Decree introduced rules and regulations on the administrative liability of Entities into the Italian legal system for certain crimes (indicated by articles 24 et seq. of the Decree, the so-called “Predicate Offences”), committed, or simply attempted, in the interest or to the advantage of said Entities, or of one of their organisational units with financial and functional autonomy, by:

- (i) individuals who are responsible for representing, directing or managing, or even who actually run or control the Entity or one of its organised units (top management pursuant to art. 5 of the Decree, paragraph 1, letter a); or
- (ii) individuals under the management or supervision of the individuals referred to by the previous letter (i) (individuals under the management of others pursuant to art. 5 of the Decree, first paragraph, letter b).

The Entity’s administrative liability is direct and different from the liability of the person who actually commits the crime, and aims at penalising Entities for offences committed to their advantage or in their interest.

According to the liability introduced by the Decree, the Entity shall therefore undergo a separate proceeding and shall be liable for sanctions, which may go so far as to block the company’s ordinary business activity.

In fact, in addition to pecuniary sanctions, possible confiscation and the publication of the conviction ruling, the Decree also states that Entities may also be subject to prohibitory sanctions (art. 9, second paragraph), such as:

- ban on carrying out its business activity;
- suspension or withdrawal of authorisations, licences or concessions involved with the offence being committed;
- ban on dealing with the Public Administration, unless this is to obtain a public service;
- exclusion from benefits, financing, contributions or subsidies, and the possible withdrawal of those already granted;
- ban on advertising goods and services.

Based on the provisions of art. 4, Entities based in Italy may also be prosecuted for crimes committed abroad, should legislation in the foreign country not provide for a similar kind of liability.

The Entity’s administrative liability is based on “organisational fault”: the Entity is therefore considered to have administrative liability for an offence committed by one of its representatives, if it has failed to put in place an organisation that is able to efficiently stop the offence in question being committed and, in particular, if it has failed to implement an internal control system and adequate procedures to carry out the activities that are most at risk from the crimes stated by the Decree being committed.

On the contrary, pursuant to art. 5, paragraph 5 of the Decree, the Entity shall not be held liable if the aforementioned individuals act exclusively in their own interest or in the interest of third parties.

The processes to be followed in order to put in place this type of internal organisation and control system are indicated under articles 6 and 7 of the Decree, i.e.:

- the approval, adoption and efficient implementation, before a crime is committed, of a suitable Model that can prevent the Predicate Offences stated by the Decree from being committed. In general, and in short, the Model is considered “suitable” if the individuals who committed the offence acted deliberately and fraudulently in order to sidestep the controls implemented by the Model itself;
- the creation of an internal Supervisory Board, with independent powers of initiative and control, assigned to (i) check that the Model works effectively and that all recipients correctly comply with the provisions stated therein; (ii) check, on an ongoing basis, the Model’s preventive effectiveness; and (iii) update the Model.

Based on the provisions of the Decree, with reference to the delegated powers and the possible risk of crimes being committed, the Model must also:

- identify the fields of activity that are prone to crimes being committed;
- provide for specific controls aimed at planning training and implementing the Entity’s decisions in relation to the crimes to be prevented;
- identify procedures to manage financial resources that are able to prevent crimes from being committed;
- impose obligations to provide the Supervisory Board with information;

- introduce a suitable disciplinary system to penalise any failure to comply with the measures indicated in the Model.

Adopting the Model, despite this not being compulsory but only voluntary, can only exempt the Entity from administrative liability if the Model itself is also effectively and concretely implemented and is kept constantly up to date and in line with requirements.

In fact, the judge in a criminal proceeding is called upon to assess, as part of a proceeding aimed at verifying the Entity's administrative liability, the suitability of the Model to prevent crimes from being committed, and its concrete application and effectiveness.

## **2.2 BORROMINI S.r.l. Business activity**

Since 1995, BORROMINI has been designing and manufacturing made-on-order moulds for the automotive lighting sector (front and rear lenses, light guides, masks, etc.).

As further detailed, the company's skills focus on the development of:

Injection moulding tools for thermoplastic polymers.

- Injection of single material and/or component
- Multiple injection (2/3 materials and/or components)

Injection moulding tools for thermosetting polymers

Injection moulding tools for elastomers

Borromini also produces moulds for pressed glass for the companies belonging to the Vetriere Riunite group operating in this sector.

The design and development of the moulds involves the use of CAD/CAM technology, supported by specific hardware and software. The workshop is equipped with CN machines (3-5 axes), EDM machines, three-dimensional control, etc. That is how the company can develop evolutionary forms, smooth shapes of considerable size, process complex surfaces, etc.

The three presses allow the company to internally test the moulds and to produce samples, pre-series and small batches. Heat and surface treatments are performed at external suppliers'.

The company operate globally and it is recognized for the quality and reliability of its products. Its customers include leading companies in the automotive lighting sector, such as, most of all, Automotive Lighting, Valeo, Hella, ZKW and Mako Cobo.

### 3. ORGANISATION AND MANAGEMENT MODEL

#### 3.1 The role of the Model

The purpose of the Model is to implement a structured system of protocols and procedures, together with a series of controls and inspections, that is able to prevent, or at least reduce, the risk of the Predicate Offences being committed by the Model's Recipients.

The purpose of the Model is also to:

- confirm that these types of unlawful conduct are strongly condemned by BORROMINI S.r.l. as they not only go against the law, but are also contrary to the ethical-social principles that BORROMINI S.r.l. uses as a basis for its business activity;
- allow BORROMINI S.r.l. to promptly take action to prevent, or in any case combat, crimes being committed, thanks to the process of identifying the areas of business activity in which crimes may be committed, and implementing suitable procedures.

As a result, the key aspects of the Model, in addition to those described above, are as follows:

- raising awareness among all Recipients and providing training on the rules of conduct and procedures in place to ensure compliance with the Model;
- mapping of BORROMINI S.r.l.'s areas of activity in relation to which the Predicate Offences may be committed;
- specific, independent powers of initiative and supervision to BORROMINI S.r.l.'s Supervisory Board over the effectiveness of the Model and whether it is working correctly;
- checking and documenting at-risk transactions;
- complying with the principle of separating functions;
- defining powers of authorisation that are in line with the responsibilities assigned;
- checking the Recipients' corporate conduct, and making sure that the Model works correctly and is duly updated.

#### 3.2 Structure of the Model

The Model is made up of a "General Section" and several "Special Sections", drawn up in relation to the types of Predicate Offences that BORROMINI S.r.l. believes the Recipients may be at risk of committing as part of the Activities that they carry out.

BORROMINI S.r.l. is aware that implementation of the Model is usually accompanied by the adoption of a Code of Ethics, in which the Entity normally formalises the principles on which it bases its business activity.

BORROMINI S.r.l. does not intend to avoid this common practice, as shown by the fact that the Company has always made sure its business activity is in line with a set of principles and rules of conduct based on the values of correctness, transparency and good faith.

The original text of the Decree only defined, as Predicate Offences, certain crimes against the Public Administration and others against assets through fraud (articles 24 and 25). Subsequent legislation then extended the number of Predicate Offences for which the Entity may have administrative liability, which were therefore gradually increased to include also the following cases:

- computer crimes (art. 24-bis<sup>1</sup>);
- offences related to organised crime (art. 24 ter);
- Counterfeiting money, legal tender and revenue stamps (art. 25-bis);
- corporate crimes (art. 25 ter)
- crimes for the purpose of terrorism or the subversion of democracy, or female genital mutilation (art. 25-quater);
- crimes against individuals (art. 25-quinquies);
- abuse of privileged information and market manipulation offences (art. 25-sexies);
- manslaughter and severe or very severe injuries committed in breach of workplace health and safety regulations (art. 25-septies);
- money laundering, receiving stolen goods and using money, goods or benefits of unlawful origin, as well as self-laundering (art. 25-octies);
- crimes against industry and commerce (art. 25 bis<sup>1</sup>);
- copyright crimes (art. 25 novies);
- crimes against judicial activity (art. 25 decies);
- environmental crimes (art. 25 undecies);

- crime of employing citizens from other countries who are not legally resident in the country (art. 25 *duodecies*);
- offences of racism and xenophobia (art. 25 *terdecies*).

The administrative liability of Entities is also destined to be extended further. For this reason, the Board of Directors of BORROMINI S.r.l., also upon request of the Supervisory Board, shall pass specific resolutions to integrate the Model, inserting new *Special Sections* relating to crimes which, as a result of new legislation, may extend the scope of the Entity's administrative liability.

### 3.3 General Section

Pursuant to art. 6, paragraph 3, of the Decree (and in accordance with the aforementioned Guidelines), the General Section of the Model must have three fundamental purposes:

#### *I) Identification of the Business Activities in relation to which the Crimes may be committed: risk mapping*

Art. 6, paragraph 2, lett. a) of the Decree states, above all, that the Model should include so-called "risk mapping": it is therefore necessary to analyse all activities carried out by BORROMINI S.r.l. and identify the operational or decisional phases that involve the risk of the Predicate Offences being committed.

Given new legislation leading to a gradual increase in the number of Predicate Offences, and given the possible changes that BORROMINI S.r.l.'s company structure and business activities may undergo, the risk mapping can never be considered definitive and unchangeable but, rather, it must be subject to continuous checks and reviews and must be kept constantly up to date.

BORROMINI S.r.l. and the Supervisory Board shall therefore integrate its risk mapping whenever this proves necessary following further changes to legislation, changes to BORROMINI S.r.l.'s corporate structure or even only in consideration of different circumstances and/or different ways in which BORROMINI S.r.l. carries out its business activities.

#### *II) Articulation of a preventive control system*

Pursuant to art. 6, paragraph 2, lett. b) of the Decree, once the risk mapping has been completed, it is necessary to implement specific procedures aimed at planning training and the implementation of the Entity's decisions taken in the areas identified as being at risk.

To this end, each of the *Special Sections* of this Model indicates the specific measures defined (also making reference to specific company procedures), that are able to prevent, or in any case strongly reduce, the risk of crimes being committed.

In addition to said procedures, the purpose of which is to prevent the crimes, the Supervisory Board has the specific power/duty of carrying out checks, a posteriori, on single transactions or single examples of business conduct.

As with the risk mapping, also the procedures and remedies adopted can never be considered definitive: on the contrary, their effectiveness and completeness are subject to a continuous review process by the Supervisory Board, whose main responsibility is to submit any improvements, integrations and alterations that it deems necessary to the Board of Directors.

#### *III) Appointment of the Supervisory Board*

The third purpose of the General Section is to appoint a Supervisory Board, which shall, based on the Decree:

- continuously check that all Recipients comply with the provisions stated by the Model, as well as with specific provisions and procedures introduced in order to implement the Model;
- continuously and constantly assess the suitability of the risk mapping and the procedures described under points I) and II);
- submit proposals to the Board of Directors for all necessary alterations.

The Supervisory Board is made up of more than one member and is internal to BORROMINI S.r.l., but is completely independent and autonomous, as better described under point 4 of this Model.

### 3.4 Special Sections

In addition to the General Section, as described above, this Model also has a number of Special Sections, each dedicated to a specific category of Predicate Offences, that, based on the risk mapping carried out pursuant to the Decree, BORROMINI S.r.l. believes may be at risk of being committed within its organisation.

As well as describing the crimes under examination, each Special Section identifies the areas of business activity that are considered to be most at risk, as well as precisely indicating the procedures adopted to prevent, or at least reduce the risk of, the offences being committed.

The following Special Sections therefore examine the following cases:

- i) crimes against the Public Administration (Special Section “A”);
- ii) computer crimes (Special Section “B”);
- iii) corporate crimes and private bribery (Special Section “C”);
- iv) manslaughter and severe or very severe injuries committed in breach of workplace health and safety regulations (Special Section “D”);
- v) money laundering, receiving stolen goods and using money, goods or benefits of unlawful origin, as well as self-laundering (Special Section “E”);
- vi) convincing others not to make statements or making false statements to the legal authorities (Special Section “G”);
- vii) environmental crimes (Special Section “H”);
- viii) crime of employing citizens from other countries who are not legally resident in the country (Special Section “I”).

After completion of its risk mapping, BORROMINI S.r.l. decided not to include crimes for the purpose of terrorism or the subversion of democracy, or offences against individuals or related to organised crime, or offences of racism or xenophobia - for which the Entity may, in any case, have administrative liability - in this Model, in consideration of the fact that there are no risks of said crimes being committed, considering the specific business activities carried out by the Company.

### 3.5 Implementation of the Decree by BORROMINI S.r.l.

In light of the company’s desire to operate in a transparent and correct way, also to protect its reputation and its shareholders, directors and employees, BORROMINI S.r.l. decided it was appropriate, in line with its company philosophy, to adopt and implement this Model and subsequently keep it constantly up to date.

The purpose of the Model is also to raise awareness among all Recipients, in order to guide their conduct based on the principles of correctness and transparency, at the same time as avoiding and preventing any risk of them committing crimes in relation to the company’s activities.

BORROMINI S.r.l. has drawn up the Model, using as a reference its own specific organisation, dimension and structure, the provisions and regulations stated by the Decree, case law in this regard and the Guidelines provided by industry associations and, in particular, those produced by Confindustria (the version published on Confindustria’s website on 31<sup>st</sup> March 2008).

This Model was adopted by the Board of Directors of BORROMINI S.r.l. through a resolution passed on 11th June 2018.

Said Board of Directors has also appointed the Supervisory Board, made up of 3 members, with independent powers and the task of supervising, checking and pursuing their own initiative in relation to the Model and, in particular, making sure that the Model is correctly implemented, followed and updated.

### 3.6 Risk mapping

Based on the provisions of the Decree and the instructions provided by the Guidelines, BORROMINI S.r.l. has mapped its risks, identifying the areas within its company that are particularly at risk of some of the Predicate Offences being committed.

This section will briefly explain the risk mapping method used.

First of all, BORROMINI S.r.l. analysed the basic elements of the Predicate Offences, with the aim of identifying and defining the actual conduct which, within the company, could commit the crimes in question.

BORROMINI S.r.l. then analysed the company, in order to identify the areas and departments that were most at risk. These risk areas were identified with the help of an external consultant who is an expert in (Italian) Legislative Decree no. 231/01 and who was hired specifically for this purpose, and by analysing the company BORROMINI S.r.l.



based on interviews with Directors and Heads of Processes and by analysing a sample of documents out of those used to run company activities.

Lastly, BORROMINI S.r.l., within the “at-risk” areas identified during the initial assessment, drafted the procedures and protocols that it believed suitable to ensure the Model would be appropriate and efficient in relation to the provisions of the Decree. The results of this risk mapping activity will be described in detail in each Special Section, which will also explain the procedures and measures implemented by BORROMINI S.r.l. to prevent, or in any case reduce to a minimum, the risk of the Predicate Offences being committed.

### **3.7 Recipients of the Model**

The regulations and provisions stated by this Model are applicable, in general, to all those who operate in the name and on behalf of BORROMINI S.r.l., including directors, members of other company bodies, employees, collaborators (even only temporary), business partners, suppliers and members of the Supervisory Board. Said individuals are therefore obliged to fully comply with this Model.

## 4. SUPERVISORY BOARD

### 4.1 Identification of the Supervisory Board

The Supervisory Board of BORROMINI S.r.l. is an internal body with independent powers of initiative and control, with the task of making sure that the Model works and is correctly complied with, and to see to its updating.

The Supervisory Board of BORROMINI S.r.l. is made up of 3 members, each with proven expertise and professionalism and who, during the first meeting, will adopt a dedicated set of rules on how the board will function. In light of the experience matured in the field, and in compliance with the provisions of the Decree, BORROMINI S.r.l. decided to appoint, as members of its Supervisory Board, an employee of BORROMINI S.r.l., who, from a technical and organisational point of view, is able to ensure an efficient and valid contribution to the Board carrying out its roles and responsibilities, as well as reaching its set objectives. In addition, there is also a lawyer who does not work for BORROMINI S.r.l. and who is an expert on topics related to (Italian) Legislative Decree no. 231/01. This lawyer is the Chairman of the Supervisory Board and meets all the requirements in terms of professionalism and expertise. As an individual who doesn't work for the company, he will also protect the independence and autonomy of the Supervisory Board. The third member is also an expert in topics regarding (Italian) Legislative Decree no. 231/01 and in the field of business management and also meets all requirements in terms of professionalism and expertise, as required by the Decree.

BORROMINI S.r.l. believes this to be the best option, because it allows the Supervisory Board to work efficiently right from the very start, in consideration of the very fact that it is made up of members from both inside and outside the company who have in-depth knowledge of both BORROMINI S.r.l.'s corporate and organisational structure

It is specified that, with reference to the internal member of the board, their employment contract or, in any case, collaboration with BORROMINI S.r.l., is a prerequisite for them to continue being a member of the Supervisory Board and that, therefore, the termination of said employment or collaboration relationship, for whatever reason or cause, shall mean that they automatically cease to be a member of the Supervisory Board. In this case, the Chairman of the Supervisory Board shall acknowledge the departure of the member in question and shall turn to the Board of Directors, which must then appoint a new member.

The Supervisory Board is appointed by the Board of Directors of BORROMINI S.r.l. and shall remain in office for the duration indicated when it was appointed, or, should this not be specified, for three years. Upon expiry of this mandate, should another Supervisory Board not be promptly appointed, then the previously appointed Supervisory Board shall remain in office under "prorogation" (aimed at guaranteeing continuity for the Board's activities and supervision), until the Board of Directors expressly withdraws said Board and appoints a new one. The members of the Board may hold office for more than one mandate period, with no maximum number of mandates.

Reasons why members of the Supervisory Board may no longer be eligible or may be withdrawn include:

- i) if they are convicted, even with a sentence that is not yet definitive or the penalty requested by the parties is applied, of crimes punished as an intentional offence, and therefore with the exception of premeditated crimes, except those governed and punished by articles 589 and 590, paragraph 3 of the (Italian) penal code, committed in breach of accident prevention and workplace health and safety regulations, as well as breaches that lead to an ancillary penalty referred to by art. 19 of the (Italian) penal code, or as provided for by specific legal provisions;
- ii) in any case, if they receive any conviction, even non-definitive, that leads to an ancillary penalty being applied as referred to by art. 19 of the (Italian) penal code or as provided for by specific legal provisions;
- iii) if a safety measure is applied, whether personal or with regard to assets, if a prevention measure is applied, whether personal or with regard to assets, or if an anti-Mafia prevention measure is applied, whether personal or with regard to assets;
- iv) if a declaration is made that they are banned or unable to hold office pursuant to the (Italian) civil code, or if there is a conflict of interest in place with BORROMINI S.r.l.

A member may also be suspended from the Board, for the entire duration of the measure, if a personal precautionary measure is applied (pre-trial detention in prison or in a protected place, house arrest, ban and obligation to stay in a particular place, obligation to report to the police authorities, ban on travelling abroad) and if a prohibitory measure is applied (suspended from holding public office or carrying out a public service, temporary ban on carrying out certain professional or entrepreneurial activities).

The regulations provided for by the (Italian) civil code regarding mandates apply to the Supervisory Board and its members.

#### 4.2 Prerogatives and resources of the Supervisory Board

The Supervisory Board may work with individuals belonging to different company departments, should their knowledge and specific skills be necessary for particular analyses and in order to assess specific operational and decision-making processes involved with V BORROMINI S.r.l.'s activities.

In any case, the Supervisory Board is entitled, should it become necessary to use professional skills that are not present within its own organisation, or in any case within the structure of BORROMINI S.r.l., to employ professional consultants from outside the company.

At the beginning of its mandate, and subsequently on a yearly basis, the Supervisory Board will present the Board of Directors of BORROMINI S.r.l. with an annual budget request for expenses, to be paid by BORROMINI S.r.l., and in particular:

- if the Supervisory Board decides to request a budget, it will present the Board of Directors with the request for the amount corresponding to the annual budget, providing sufficient details of the expenses and costs that it expects to incur in order to correctly carry out its mandate;
- the Board of Directors cannot reasonably refuse to pay said amount, without prejudice to the fact that the Supervisory Board may use it, independently and without the need for prior authorisation, for the purposes provided for by this Model;
- this amount must cover the expenses that, according to estimates, the Supervisory Board shall incur while carrying out its tasks (without prejudice to the fact that any costs relating to human resources or materials made available by BORROMINI S.r.l. are not included in the budget);

Should there be extraordinary events or circumstances (i.e. outside of the Supervisory Board's normal activities), and it becomes necessary to provide the Supervisory Board with sums in addition to the aforementioned amount, then the Chairman of the Supervisory Board shall draw up a reasoned request and present it to the Board of Directors of BORROMINI S.r.l. indicating, with a reasonable degree of detail, the reasons and the circumstances behind said request. The request for additional funds cannot be rejected by the Board of Directors without a justified reason.

#### 4.3 Functions and powers of the Supervisory Board

The Supervisory Board of **BORROMINI S.r.l.** is entrusted with the task of:

- making sure that Recipients comply with the provisions of the Model and the documents related to it, taking all initiatives necessary;
- making sure that the provisions of the Model are actually efficient, effective and really serve their purpose, in relation to the company's structure, in preventing the Predicate Offences from being committed;
- verifying the opportunity to update and adapt the procedures disciplined by the Model, submitting the relative proposals to the Board of Directors on the amendments to be implemented, to the extent believed necessary;
- reporting any proven breaches of the Model to the Board of Directors so it may take the subsequent courses of action.

Without prejudice to the obligation attributed to the Supervisory Board of checking compliance with the Model and the procedures stated therein, its actions cannot be challenged by the Board of Directors, unless for reasons relating to a failure to fulfil its attributed mandate.

In particular, the Supervisory Board of BORROMINI S.r.l. shall fulfil the aforementioned purposes by:

- examining the company's activities in order to regularly check that the Model is being correctly implemented and to update the mapping of risk areas in the company context, as necessary;
- requesting regular or specific information from individual company departments in relation to the activities considered to be at risk. Information requested by the Supervisory Board must be promptly provided by the departments involved, without any omissions or alterations, in order to ensure that said Board can get a certain and concrete view of the activities being monitored; to this end, it is also specified that the Supervisory Board must constantly receive information on how risk areas are evolving, and must have free access to all the relative company documentation.
- coordinating with the other company departments (also through dedicated meetings) to better monitor activities in the areas identified as being at risk of predicate offences being committed;
- coordinating with the relative department heads for the various aspects pertaining to the implementation of the Model;
- checking that the requested documentation is present and duly kept, in compliance with the provisions of each Special Section of the Model relating to the various types of crimes;

- carrying out all other controls, whether regular or one-off, on single transactions, procedures or activities within BORROMINI S.r.l., as it sees fit.

Furthermore, the Supervisory Board shall:

- check that the rules in place are adequate in relation to any transformations, alterations or extensions of company activity;
  - report any shortcomings with the Model to the Board of Directors and put forward the relative proposals to amend or improve it;
  - subsequently verify that the rules of conduct stated by the individual Special Sections are duly updated;
  - verify the validity of clauses aimed at implementing sanction mechanisms (e.g. clauses to terminate contracts with business partners, collaborators or suppliers), should the provisions of the Decree be violated;
- the Supervisory Board must submit an information report to the Board of Directors and the Board of Statutory Auditors, at least once a year.

Lastly, and in compliance with the provisions of art. 6, paragraph 1 lett. b) of the Decree, the tasks of monitoring and updating the Model assigned to the Supervisory Board can be broken down into three different types of checks:

- *document checks*: the Supervisory Board shall regularly check the company's main documents and any significant contracts concluded by BORROMINI S.r.l. within the “at-risk” areas;
- *procedure checks*: the Supervisory Board shall regularly check that this Model is being effectively implemented;
- *checks on reports and measures*: the Supervisory Board shall examine all reports received during the year, the actions taken as a result, the events and episodes considered most at risk, as well as the extent to which all Recipients are aware of the contents of the Model and the offences for which the Entity has administrative liability.

The Supervisory Board must provide information on the results of these checks, even if only a summary, in its annual report submitted to the Board of Directors and the Board of Statutory Auditors.

**5. INTERNAL INFORMATION FLOWS****5.1 Notifications and reports to the Supervisory Board**

There are three ways to contact the Supervisory Board of BORROMINI S.r.l.

- by contacting one of the members in person and together drawing up a document addressed to the Supervisory Board
- by sending an e-mail to the dedicated address [organismodivigilanza@vetrerieriunite.it](mailto:organismodivigilanza@vetrerieriunite.it)
- by sending a written notification, also anonymously, in a closed envelope sent to the address: Supervisory Board c/o BORROMINI S.r.l. - Viale del Lavoro, 5 737030 COGNOLA AI COLLI (VR)

The supervisory board is under the obligation to carry out an internal investigation after receiving reports of any breaches of this Model and, if these claims are believed to be serious and founded, then it must provide a non-binding opinion on the type and extent of the measures to be taken and on the possible sanctions for the person(s) responsible. The Board of Directors is responsible for implementing the actions and any sanctions, and shall decide on their extent, taking into consideration the opinions and indications of the Supervisory Board. The Supervisory Board is under the obligation to protect the person(s) making the report, in good faith, against any form of retaliation, discrimination or penalisation.

**5.2 Obligations to provide the Supervisory Board with information**

In addition to the documentation expressly indicated by each Special Section of the Model, in accordance with the procedures described therein, the Supervisory Board must be informed of any other information relating to the implementation of the Model in the areas at risk, as well as any information relating to any breaches of the provisions of the Model itself.

The Supervisory Board must always be informed of all information regarding:

- requests for legal assistance sent by employees (including senior managers) being prosecuted for one of the Predicate Offences;
- orders and/or notifications from the judicial authorities and police or from any other authority, stating that investigations are underway, also against unknown individuals, for acts that potentially involve the business activity of BORROMINI S.r.l. in relation to the predicate offences;
- results and conclusions of investigations or other internal reports showing potential responsibility for Predicate Offences;
- any disciplinary proceedings carried out, any sanctions issued or the archiving of any proceedings with the relative reasons why, if pertinent, even only potentially, to the crimes stated by the Decree;
- workplace injuries and accidents considered serious or very serious (roughly speaking, with initial prognosis of more than 40 days);
- investigations by the police, judicial police, financial police, revenue agency, fire brigade and any other local public inspection body (e.g. ARPA - *Regional Agency for the Protection of the Environment* -, ASL- *Local Health Authority*, etc.);
- any company transactions such as, but not limited to, amendments to the company purpose, acquisitions, divestments and mergers.

The Supervisory Board, while carrying out its audit activities and/or after specific requests from the Supervisory Board itself, must be provided with any substantial information regarding:

- decisions relating to requesting, obtaining and using public funds;
- summary tables on contracts following public tender processes or private negotiations;
- contracts awarded by public bodies, the European Community or by individuals who carry out public functions.
- documents certifying the correct management of workplace health and safety and correct environmental management;
- administrative, accounting and financial documents relating to economic transactions of any kind, payments, expense reimbursements, issuing of financial statements and similar;
- any other news, information or documentation, relating to the actual implementation of this Model, throughout the company;

The Board of Directors is under the obligation to provide the Supervisory Board with all information on issues falling under the Supervisory Board's scope of responsibility.

In order to allow the Supervisory Board to effectively fulfil the tasks with which it has been entrusted, BORROMINI S.r.l. guarantees all Recipients of the Model, as well as any third parties, the right to report any crime, anomaly or

suspicious activity to said board, in relation to the Predicate Offences being committed or at risk of being committed, of which they have become aware for any reason.

For anyone who sends notifications or reports to the Supervisory Board, BORROMINI S.r.l. expressly guarantees that they shall not be subject to any form of retaliation, discrimination or penalisation, and, in any case, shall ensure that their identity remains confidential in accordance with the provisions of (Italian) law no. 179 dated 30<sup>th</sup> November 2017 “Regulations for the protection of individuals reporting crimes or anomalies of which they become aware as part of their employment in the public or private sector” (the so-called “Whistle-blowing Law”).

All employees therefore have the right, as well as the obligation, to report in writing, any information relating to possible anomalies within the company or unlawful activity.

The Supervisory Board may also receive and assess reports and notifications, made in writing, coming from individuals from outside the company.

The Supervisory Board may ask the Board of Directors and employees for all kinds of information and/or documentation to help it carry out its necessary checks and inspections, with the individuals involved being obliged to promptly respond with the maximum care and attention and to provide complete information when replying to all requests from the Supervisory Board.

The Supervisory Board of BORROMINI S.r.l. must ask the Board of Directors for detailed information on any amendments to the powers defined and mandates attributed.

The Supervisory Board checks and analyses information and any reports received and the measures to be implemented; once implemented, the measures must be in line and comply with the provisions of the disciplinary system stated by this Model.

The Supervisory Board may ask the Board of Directors to issue disciplinary sanctions to anyone who fails to comply with the obligation to provide information.

Based on its own decisions, the Supervisory Board shall notify the Board of Directors if, after completing its investigations into the notifications and reports received, it believes that said reports were intentionally made falsely or with gross negligence in order to harm the company, its directors, senior managers and employees.

### **5.3 Information obligations for the Supervisory Board towards the company bodies**

The Supervisory Board has specific information obligations towards the Board of Directors and the Shareholders' Meeting.

The Supervisory Board also has the specific obligation of promptly providing information on any amendment, integration or update regarding the Decree. The Supervisory Board must also inform the Board of Directors of any proven breach while carrying out its activities.

The Supervisory Board of BORROMINI S.r.l. may be convened by the Board of Directors at any time, or may also request to be heard by the Board of Directors, in order to report on how the Model is working or on specific situations.

As described above, the Supervisory Board also submits a written report on the implementation of the Model to the Board of Directors (and to the Board of Statutory Auditors) on a yearly basis.

### **5.4 Collecting and storing information**

The information and reports drawn up or received based on the Decree must be stored by the Supervisory Board in a dedicated archive, in digital and/or paper format. With the prior written consent of the Supervisory Board, this archive may be accessed by external individuals based on procedures to be defined by the Supervisory Board itself. This documentation will, of course, be available to the Supervisory Board and to anyone who is interested in viewing it.

This documentation may be made available to the judicial authorities, should they request it directly and/or through the judicial police, during any case-specific investigations.

## 6. DISCIPLINARY SYSTEM

### 6.1 General principles

Art. 6, paragraph 2, letter e) of the Decree states that a disciplinary system must be introduced that is suitable for penalising any breaches.

The definition of a disciplinary system (in proportion to the type of breach), to be enforced should the provisions of the Model be violated, makes the supervision and prevention work of the Supervisory Board more effective and aims at guaranteeing the effectiveness of the Model itself.

The disciplinary system has also been drawn up based on the following principles:

- differentiation based on the Recipients of the Model;
- identification of the disciplinary sanctions to be implemented for recipients in compliance with the provisions issued by national collective bargaining agreements and applicable legal requirements;
- identification of investigation procedures for breaches, infringements, evasion, and imperfect or partial application and a dedicated procedure to impose applicable sanctions, identifying the person responsible for imposing them and, in general, making sure that the disciplinary system is followed, implemented and updated.

In particular, the disciplinary system applies to:

- all actual representatives, directors and senior managers (including any liquidators) of BORROMINI S.r.l. or of one of its organised units that has financial and management autonomy;
- all individuals under the management or supervision of one of the aforementioned people, and, in general, all employees as well as anyone who, for any reason and with any level of responsibility, works within BORROMINI S.r.l.'s scope of activity, contributing to carrying out the company's business activity, including collaborators, business partners and suppliers.

This disciplinary system is broken down into specific sections, each referring to a different category of recipient, taking into account the legal status of the various individuals.

The Supervisory Board has the task of making sure that the disciplinary system is correctly followed and applied, and must implement the measures necessary to ensure that the Board of Directors of BORROMINI S.r.l. updates, amends and/or integrates the disciplinary system.

Disciplinary sanctions will be imposed regardless of the result of any criminal proceedings, as the rules of conduct imposed by the Model are independently assumed by the company, separately from the criminal offence that said rules may integrate.

The Supervisory Board may propose that the Board of Directors of BORROMINI S.r.l. adopt disciplinary measures in proportion to the importance and seriousness of the proven breaches.

### 6.2 Disciplinary sanctions for employees

Any behaviour by employees that is in breach of the individual rules of conduct indicated by this Model, shall be classed as a disciplinary offence.

The sanctions that may be imposed on employees are defined by the national collective bargaining agreement applied by the company, in accordance with the procedures stated by article 7 of (Italian) Law no. 300 dated 30<sup>th</sup> May 1970 (the so-called "Workers' Charter), and any applicable special regulations.

In particular, the sanctions imposed, depending on the seriousness of the breach, may be those provided for by the national collective bargaining agreement, or by the national collective bargaining agreement for senior managers of companies that manufacture goods and services.

In accordance with the provisions of the applicable national collective bargaining agreement, sanctions shall be imposed by the Board of Directors, on its own initiative or following a proposal made by the Supervisory Board.

With regard to protecting workplace health and safety, disciplinary sanctions may be proposed by the Health and Safety officer and/or by the Employer.

### 6.3 Disciplinary measures for directors

Should a director of BORROMINI S.r.l. be in breach of the Model, then the Supervisory Board shall inform the entire Board of Directors and, if it is thought necessary, the Shareholders' Meeting, who will take appropriate action in accordance with applicable regulations.

**6.4 Disciplinary measures for collaborators, business partners and suppliers**

Any behaviour by collaborators, business partners or suppliers that goes against the rules of conduct stated by this Model, and that may lead to the risk of a Predicate Offence being committed, may cause the relative contractual relationship to be terminated, depending on the specific contractual clauses included in the relative appointment letters or partnership agreements, without prejudice to the right to claim compensation should this conduct damage BORROMINI S.r.l., such as if the court applies the measures provided for by the Decree.



## 7. CIRCULATION AND RAISING AWARENESS OF THE MODEL

In order for the Model to exempt the Entity from administrative liability, it must be efficient and must be implemented in a concrete and effective way.

An essential condition to guarantee concrete and constant compliance with the Model and the procedures described therein, is to ensure that all Recipients are aware of the Model.

BORROMINI S.r.l. has therefore adopted a series of initiatives, described below, in order to ensure that the Model is correctly circulated, both inside and outside the company.

### 7.1 Training for personnel

BORROMINI S.r.l. raises awareness of the Model among all Recipients, who are therefore obliged to know about its contents, comply with it and contribute to implementing it in the best way possible.

In order to implement the Model, training will be provided to personnel according to the following methods:

- Initial training through specific meetings in the period immediately after the Model is approved;
- Circulation of an internal information memo that explains the Model and its functions;
- Publication of this Model and the attached Code of Ethics on the BORROMINI S.r.l. website and Intranet;
- Publication of the internal procedures linked to this Model on the BORROMINI S.r.l. Intranet;
- Circulation of an internal memo with information on the Model, promptly providing notification of any updates and amendments on an ongoing basis;
- Providing information when an employee is hired.

### 7.2 Information provided to collaborators, business partners and suppliers

BORROMINI S.r.l. raises awareness of and promotes compliance with the Model also among its business partners, collaborators and suppliers, by publishing this Model on its corporate website

### 7.3 Contractual clauses

In order to ensure compliance with the provisions and procedures referred to by this Model, also by third parties who contribute, even only indirectly, to carrying out BORROMINI S.r.l.'s business activity, the Company includes dedicated contractual clauses in agreements and letters of appointment signed with business partners, suppliers and collaborators, through which the counterparties undertake to comply with the regulations stated by the Model, also accepting that any breach will represent just cause for BORROMINI S.r.l. to terminate the relative contract.

In fact, the Company believes that contract termination represents the only way to ensure compliance with the procedures and principles stated by the Model, also by parties (such as collaborators, business partners and suppliers) who are not exposed to the risk of the disciplinary sanctions that are specifically applicable to employees.