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MODEL OF ORGANIZATION, MANAGEMENT AND CONTROL

General part

Constituent element of the Organization, Management and Control Model pursuant to Legislative Decree 231/2001

SILVELOX GROUP S.P.A.
Viale Venezia No. 37
Castelnuovo (TN)
P.iva 02381120225

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GENERAL PART.

PRESENTATION OF SILVELOX GROUP S.P.A.

ENTERPRISE NAME:	SILVELOX GROUP S.P.A.
TAX CODE/VAT NUMBER:	02381120225
CERTIFIED ELECTRONIC MAIL:	silveloxeuspa@cgn.legalmail.it
LEGAL FORM:	Joint Stock Company
FULLY PAID-UP SHARE CAPITAL:	€. 1.300.000,00
DATE OF INCORPORATION:	18.05.2015
START DATE:	25.05.2015

Silvelox Group S.p.A. (also the "Company" or "Group") is an Italian company that has specialized for over 65 years in the production and manufacture of armored doors, garage doors, entrance doors, swing doors and high-end architectural systems. The proposed solutions combine aesthetic wisdom and maximum efficiency, in the tradition of Made in Italy.

Formed in late 2018 from the merger of Seip S.r.l. and Silvelox Europe S.p.A, the latter established in May 2018, the former specializing in the manufacture of residential sectional garage doors, doors for industrial properties under the SEIP PROFESSIONAL brand and patented components for residential and industrial closures under the COMPOSEIP brand and the latter excelling in the manufacture of wooden garage doors, armored entrance doors, swing doors and architectural systems, thus becoming the undisputed benchmark in the manufacture of high-end garage doors and entrance doors.

The Company is a market leader both in Italy and abroad: it is, in fact, present in the international markets of the USA, Brazil, England, France, Spain, Portugal, Germany, Poland, Hungary, Romania, Slovenia, Luxembourg, Arab countries, Japan, China and Israel. It presents all the potential for global growth, aided by the presence within it of subsidiaries SEIP do Brasil Ltda and Silvelox USA Inc.

Silvelox Group S.p.A. has also developed the "Composeip" brand specializing in the production of innovative components for Silvelox residential sectional doors and SEIP PROFESSIONAL industrial closures. Cutting-edge products that combine the latest technologies with refined and elegant aesthetics, fully responding to what is the philosophy of the brand.

The Silvelox Group S.p.A. also holds the patent right registered with the Ministry of Economic Development-Italian Patent and Trademark Office relating to the overhead door for closing an access opening of a compartment, particularly a garage compartment, and method for the installation in place of an overhead door.

Governance and representation

The Company is currently administered by a Board of Directors consisting of five members, three of whom receive proxies.

The Company is subject to a Supervisory Board consisting of the 5-member Board of Statutory Auditors in office and an external auditing firm.

Local units

The Company has 2 local units located in Castelnuovo (TN) and Remedello (BS).

Employees

The Company has an average number of 112 employees as of 12/31/2022.

For more information on the corporate functional organization, see the Organizational Chart [ORG231].

1. INTRODUCTION TO LEGISLATIVE DECREE 231/2001

Implementing the proxy contained in Article 11 of Law No. 300 of September 29, 2000, Legislative Decree 231/2001 (hereinafter also simply "the Decree" or "Decree 231") introduced the principle of administrative liability of entities dependent on crime into the Italian legal system.

By providing for a form of liability, arising from crime, of the legal person, distinct from and in addition to that of a criminal nature of the natural person who committed the offence, the provision has had a strong innovative impact, since it has enabled the overcoming of the traditional approach that classifies the entity, as an autonomous center of legal imputation, a mere abstraction and - as such - incapable of committing criminal offenses (according to the well-known Latin bromcardo "*societas delinquere non potest*").

The entity is no longer considered a pure legal fiction, but an organic reality that 'lives,' acts, through the natural persons who stand in a relationship of identification with the organization.

Decree 231 applies to "*entities provided with legal personality and companies and associations, including those without legal personality*" (Art. 1, Decree 231). The legislation is therefore intended first and foremost for all private legal entities, which certainly includes corporations and, among them, joint-stock companies such as Silvelox Group S.p.A.

The administrative liability of Entities arises in the event of the commission of certain criminal offenses, listed in Decree 231 ("Offenses-Presupposed"), by a person with a qualified connection to the Entity and, specifically, by three types of individuals:

- Apical persons, individuals who hold positions of representation, administration, management or control of the Entity, even if only de facto, or their organizational areas with financial and managerial autonomy;
- Persons subject to management or supervision by the above-mentioned persons.

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With reference to the Offenses-Presumed Offenses, the scope of applicability of liability *under* Legislative Decree 231/2001, originally limited to Articles 24, 25 and 26 of the Decree, was subsequently extended, both by amendment of the Decree itself (e.g., by Art. 6 Decree Law No. 350 of September 25, 2001, by Art. 3 D. L. No. 61, April 11, 2002), and by references to the Decree (e.g., by Articles 3 and 10 of Law No. 146, March 16, 2006, and by Article 192 of Legislative Decree No. 152, April 3, 2006). With Legislative Decree No. 121/2001, implementing the EEC directives on the criminal protection of the environment (Directive 2008/99/EC of the European Parliament and the Council of 19.11.2008) and on ship-source pollution (Directive 2009/123/EC of the European Parliament and the Council of 21.10.2009), a new catalog of predicate environmental offenses, suitable for founding the liability of the entity, was included in Decree No. 231/2001 (in Art. 25 *undecies*). With Legislative Decree 109 of 2012, the crime of "employment of illegally staying third-country nationals" (art. 25 *duodecies*) was introduced. With the so-called "Anticorruption" (Law No. 190, 6.11.2012), "bribery among private individuals" (Art. 25 *ter*, paragraph 1, letter *s-bis*, which refers to the crime of bribery among private individuals referred to in the new third paragraph of Art. 2635 of the Italian Civil Code), and of undue induction to give or promise benefits (Art. 25, paragraph 3), in which the reference to Article 319 *quater* of the Criminal Code is inserted), were included in Decree 231/2001. Through Law No. 186 of December 15, 2014, titled "*Provisions on the emersion and return of capital held abroad as well as for the strengthening of the fight against tax evasion. Provisions on Self-Money Laundering,*" significant amendments were made to Article 25 *octies*, including, among the relevant cases, the crime of Self-Money Laundering (Article 648 *ter.1*). Law No. 68 of May 22, 2015, under the heading "Provisions on crimes against the environment," provided (by Article 1, paragraph 8, letter a)) for the amendment of Article 25-undecies, paragraph 1, letters a) and b), the introduction of letters c) to g) to Article 25-undecies, paragraph 1, and paragraph 1 *bis* to Article 25-undecies, implementing the catalog of predicate crimes of an environmental nature.

Law No. 69 of May 27, 2015, under the rubric "*Provisions on crimes against public administration, mafia-type associations and false accounting,*" affected Article 25 *ter* (corporate crimes) by increasing the fine for the crime of false corporate communications, provided for in Article 2621 Civil Code, inserting as a predicate offense the new art. 2621 *bis c.c.* (false corporate communications of minor importance) and increasing the penalty for the crime under art. 2622 c.c. (false corporate communications of listed companies).

Subsequently, Law 199 of Oct. 29, 2016 added the crime of "Illegal intermediation and exploitation of labor" through the introduction in Article 25-quinquies, paragraph 1, letter a), of Legislative Decree 231/2001 among crimes against the individual, with a fine of 400 to 1,000 quotas.

Legislative Decree No. 38 of March 15, 2017, under the heading "*Implementation of Council Framework Decision 2003/568/JHA of July 22, 2003, on combating corruption in the private sector,*" which removed the prerequisite of "harm to society" from the crime of bribery among private individuals, contemplating a tightening of the fine in Article 25-ter, letter *s-bis* (from 400 to 600 quotas) and the disqualification sanction (from 3 months to 24 months).

The same intervention also introduced the new Offense-Prejudice of "inciting bribery among private individuals" punished with a fine between 200 and 400 quotas and an interdiction from 3 months to 24 months.

Law No. 161 of Oct. 17, 2017, on "*Amendments to the Code of Anti-Mafia Laws and Prevention Measures, referred to in Legislative Decree No. 159 of Sept. 6, 2011, to the Criminal Code and to the implementing, coordinating and transitional rules of the Code of Criminal Procedure and other provisions. Delegation of authority to the*

Government for the protection of labor in seized and confiscated companies," amended Article 25 duodecies of the Decree, inserting paragraphs 1-bis, 1-ter and 1-quater, which reproduce the crimes provided for in Article 12, paragraphs 3, 3-bis, 3-ter and 5 of the Immigration Consolidation Act, Legislative Decree No. 286/1998.

Law No. 167 of November 20, 2017 bearing "*Provisions for the fulfillment of obligations arising from Italy's membership of the European Union - European Law 2017*" introduced Art. 25 terdecies in the Decree by extending the liability of Entities to the crimes of Racism and Xenophobia provided for and punished by Article 3 Law No. 654 of October 13, 1975, which recalls the criminal cases sanctioned by the Statute of the International Criminal Court, ratified pursuant to Law No. 232 of July 12, 1999 (so-called Rome Statute). Legislative Decree 21/2018 bearing "*Provisions implementing the principle of delegation of code reservation in criminal matters pursuant to Article 1, paragraph 85, letter q), of Law No. 103 of June 23, 2017,*" deleted from the catalog of predicate offenses the references to 'Article 3 of Law 654/1975 (referred to in Article 25-terdecies of Decree 231, "Racism and xenophobia") and Article 260 of Legislative Decree. Lgs. 152/2006 (referred to in article 25-undecies, "Environmental crimes") by recalling the new articles 604-bis ("Propaganda and incitement to commit crimes for reasons of racial ethnic and religious discrimination") and 452- quaterdecies ("Organized activities for the illegal trafficking of waste").

Legislative Decree No. 107 of August 10, 2018 reshaped the criminal offenses of *market abuse "Insider Trading"* and "*Market Manipulation,*" providing for the adjustment of the national regulations on market abuse to the provisions contained in Regulation (EU) No. 596/2014;

The Law of January 9, 2019 No. 3 on "*Measures to Combat Crimes against Public Administration, as well as on the Statute of Limitations of Offenses and on the Transparency of Political Parties and Movements*" further expanded the catalog of predicate offenses, contemplating among the cases of crimes against Public Administration the trafficking in unlawful influence referred to in Art. 346-bis of the Criminal Code; providing for a tightening of the financial penalties in the case of the commission of the crimes referred to in Articles 318, 321, 322, first and third paragraphs, and 346 -bis of the Criminal Code up to 200 quotas; tightened the prohibitory penalties related to the crimes referred to in Art. 25 Legislative Decree. 231/2001; furthermore, it introduced paragraph 5-bis, which establishes a mitigating factor "*if before the first instance judgment the entity has effectively taken steps to prevent the criminal activity from being carried to further consequences, to secure evidence of the offenses and for the identification of the perpetrators or for the seizure of the transferred sums or other utilities, and has eliminated the organizational deficiencies that led to the crime through the adoption and implementation of organizational models suitable to prevent crimes of the kind that occurred, the disqualification penalties have the duration established by Article 13, paragraph 2.*" Laws No. 39 of May 3, 2019 and No. 43 of May 21, 2019, respectively (i) introduced into the system outlined by Legislative Decree 231/2001 the crimes of fraud in sports competitions, abusive exercise of gaming or betting and games of chance exercised by means of prohibited devices (ii) amended the case referred to in Article 416-ter of the Criminal Code (political-mafia electoral exchange) in the terms better specified in the Special Part of this Model.

By Decree-Law of Oct. 26, 2019, the criminal-tax offence referred to in Article 2 of Legislative Decree 74/2000 ("*Fraudulent declaration through the use of invoices or other documents for non-existent transactions*") was included in the list of Offenses-Presupposed. Finally, with the law converting the aforementioned decree-law (Law No. 157, Dec. 19, 2019), the catalog of criminal offenses-presupposed was extended to include additional tax crimes, namely:

- fraudulent declaration by means of other artifices (Art. 3 Legislative Decree 74/2000);
- The issuance of invoices/other documents for non-existent transactions (Article 8 of Legislative Decree 74/2000);

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- The concealment or destruction of accounting documents (Article 10 of Legislative Decree 74/2000);
- Fraudulent evasion of taxes (Art. 11 Legislative Decree 74/2000).

On July 14, 2020, Legislative Decree No. 75/2020 was published in the Official Gazette, which extended the catalog of predicate offenses to include crimes such as embezzlement, abuse of office, contraband offenses, and additional criminal-tax offenses under Legislative Decree 74/2000 if committed transnationally (within the European Union) in order to evade VAT for an amount of no less than 10 million euros. This is in implementation of the so-called 'PIF' EU Directive 2017/1371.

The range of predicate offenses has also been expanded to include the offenses of smuggling through The introduction of Article 25o.

With Legislative Decree No. 184/2021, the catalog of predicate offenses was also extended to include the crimes set forth in Articles 493-ter, 493-quater and 640-ter, second paragraph, of the Criminal Code, through the introduction of Article 25-octies.1 of Legislative Decree No. 231/2001, under the heading "*Crimes related to non-cash payment instruments.*"

Legislative Decree 195/2021, implementing the EU Directive 2018/1673 on combating money laundering through criminal law, in line with the outline already approved by the Council of Ministers, intervened on the incriminatory cases of receiving, laundering, reuse and self-money laundering, referred to in Articles 648 of the Criminal Code, *648-bis* of the Criminal Code, *648-ter of the Criminal Code* and *648-ter 1* of the Criminal Code, indeed already included in the catalog of predicate offenses in Article 25-octies of Legislative Decree 231/2001. The relevant novelty, on the subject of the liability of the collective entity, coincides with the extension of the application of the aforementioned offenses to all indiscriminately the proceeds derived from such a category of crime, with the consequence that the latter will no longer be limited to conduct of a wilful nature, but will also include crimes punished by reason of guilt as well as, even, contraventions, if punished with a maximum prison sentence of more than one year and a minimum sentence of six months.

Article 20 of Law Dec. 23, 2021, No. 238 contains some criminal provisions for the suppression of sexual abuse of minors and against child pornography, which resulted in the amendment or supplementation of some criminal cases included in the list of predicate offenses, namely Articles 600c, 609-quinquies and 609-undecies of the Penal Code.

Article 28-bis of Law No. 25 of March 28, 2022 changed the textual wording of some offenses, which are included in the list of predicate offenses and in particular Articles 316, 316bis, 316ter and 640bis of the Criminal Code.

On March 23, 2022, Law No. 9/2022 on "Provisions on crimes against cultural heritage" came into effect, introducing two new predicate offenses: art.25-septiesdecies headed "Crimes against cultural heritage" and art. 25-duodevicies headed "Laundering of cultural property and devastation and looting of cultural and scenic property."

Article 5, paragraph 1, of Legislative Decree No. 156 of October 4, 2022, provided for the textual amendment of Art. 25-quinquiesdecies, paragraph 1-bis, reshaping the concept of tax offenses committed across borders and specifying that the liability of the entity arises where such offenses "*have been committed for the purpose of evading value-added tax within the scope of cross-border fraudulent schemes connected to the territory of at least one other member state of the European Union, from which a total damage equal to or exceeding ten million euros results or may result.*"

Legislative Decree No. 19 of March 2, 2023 on cross-border corporate transformations, mergers and demergers, adopted in implementation of EU Directive 2019/2021, has included a new predicate offense for the liability of legal persons. Specifically, Article 54 of that decree provides for a specific criminal case related to false or omitted statements for the issuance of the

Preliminary certificate, which is necessary to certify the proper fulfillment in accordance with the law of the acts and formalities preliminary to the implementation of the merger.

In addition, with Legislative Decree No. 150/2022 (Cartabia Reform) some incriminatory cases falling within the list of predicate offenses and in particular Articles 640 and 640 ter of the Criminal Code were changed in their textual wording.

In other respects, on the subject of whistleblowing, Legislative Decree 24/2023 by Art. 23 repealed paragraphs 2-ter and 2-quater while by Art. 24 intervened on paragraph 2-bis of Art. 6 of Legislative Decree 231/2001, simplifying the rules.

Decree Law No. 2 of January 5, 2023, (the so-called "Save Ilva Decree") converted with amendments by Law No. 17 of March 3, 2023, included new measures to protect businesses in Legislative Decree 231/2001

so-called of national strategic interest from the possible application of disqualification measures such as to jeopardize their operation and have significant negative repercussions on employment and national economic interest: art. 5 provided (i) in paragraph 1, letter a), the introduction of letter *b-bis*) to art. 15 Legislative Decree 231/2001, paragraph 1; (ii) in paragraph 1, letter b), the introduction of paragraph 1-bis to art. 17 ("Reparation of the consequences of the crime"), which has a fundamental clause of exclusion of the applicability of prohibitory sanctions; (iii) in paragraph 1, letter c), the amendment of art. 45, paragraph 3 on precautionary measures; (iv) in paragraph 1, letter d), the introduction of paragraph 1-ter to art. 53 (Preventive Seizure), which provides that in cases where the seizure concerns industrial establishments or parts thereof that have been declared of national strategic interest, Article 104-bis, paragraphs 1-bis.1 and 1-bis.2, of the implementing, coordinating and transitional rules of the Code of Criminal Procedure.

Most recently, the recent Decree-Law No. 20 of March 10, 2023, on the subject of flows of legal entry and stay of foreign workers and preventing and combating irregular immigration, in Art. 8 of Chapter II, amended Art. 12 and inserted Art. 12-bis "*Death or injury as a result of illegal immigration crimes*" into Legislative Decree No. 286/1998 "Consolidated Immigration Act."

Both articles affect the offenses contained within Article 25- duodecies

"Employment of third-country nationals whose stay is irregular" of Legislative Decree 231/2001.

1.1. THE NATURE OF THE LIABILITY OF ENTITIES

Regarding the nature of the - formally administrative - liability of Entities, the Illustrative Report to the Decree emphasized that it is a "*tertium genus that combines the essential features of the criminal and administrative systems in an attempt to reconcile the reasons of preventive effectiveness with those, even more inescapable, of maximum guarantee.*" In this sense, the prevailing jurisprudence of the Supreme Court has also pronounced itself, according to which this would be a "*tertium genus, arising from the hybridization of administrative responsibility with principles and concepts proper to the criminal sphere*" (Cass. Pen., Sec. VI, Nov. 10, 2015 No. 28299). As noted by authoritative doctrine, the normative construction is configured as an "*attempt to achieve a compromise between the instances of making the entity responsible and the traditional reservations expressed by part of the doctrine regarding the criminal capacity of legal persons*" (cit., Giarda - Mancuso - Spangher - Varraso (ed.), *La responsabilità 'penale' delle persone giuridiche*, Milan, p. 14).

In summary, this legislation is the result of a legislative technique that, by borrowing the principles inherent in criminal and administrative torts, has introduced into our legal system a punitive system of business torts that complements existing penalty systems.

The Criminal Judge competent to try the individual perpetrator is also called upon to rule on the administrative liability of the Entity and to, if necessary, apply the relevant sanction (pecuniary/interdictory, see below) in accordance with the discipline and timeframes proper to Decree 231, as well as within the framework of the provisions of the criminal trial, insofar as they are compatible (Art. 34 - 35, Decree 231).

Moreover, as stated in Article 8 of Decree 231, the administrative liability of the Entity is independent of that of the natural person who commits the crime: the Entity, in fact, is not to be exempt from liability when the perpetrator of the crime has not been identified or is not imputable or if the crime is extinguished for reasons other than amnesty. In any case, the liability of the Entity is in addition to and does not replace that of the individual perpetrator of the crime.

1.1.1. THE CRITERIA FOR IMPUTING LIABILITY TO THE ENTITY AND EXEMPTIONS FROM LIABILITY

The administrative liability of the Entity, arising from the commission of a criminal offense within the corporate organization, arises upon the occurrence of two conditions (so-called imputation criteria): one objective in nature and the other subjective.

A) Objective condition

As anticipated above, Decree 231 requires that the Offense-Pattern be committed by a Entity related to the Entity by a qualified relationship.

Article 5 of the Decree lists the individuals who may involve the Entity in its liability administrative. Specifically:

- Individuals who hold positions of representation, administration, management or control of the Entity or organizational areas with financial and functional autonomy or individuals who effectively exercise management and control of the Entity (so-called individuals in top or apical positions);
- Individuals subject to the direction or supervision by the above-mentioned individuals (c.d. subjects in subordinate or subordinate positions);
- third parties who, however, act in the name of or on behalf of the Entity by virtue of a power of attorney and/or a collaboration agreement: these are individuals who act on the Entity's mandate/charge/representation (e.g., agents, representatives, etc.) and who are - in fact - an 'extension' of the organization.

More specifically, the notion of "apical person" is linked to the formal exercise of the functions of representation, administration or management or the de facto exercise of the functions, combined, of management and control. As clarified by the doctrine (cf. Giarda - Mancuso - Spangher - Varraso (ed.) *Responsabilità "penale" delle persone giuridiche*, Milan, p. 57) "*the concept of administration is linked to the power of management and control of the entity's material resources, the concept of management as linked to the power of management and control of the entity's personnel and the concept of representation as linked to the formation, manifestation to the outside world and reception of the entity's will in relation to negotiated acts.*"

"Subordinates" are defined as those directly subordinate to the control functions of supervision of top individuals.

On the other hand, for administrative liability to exist, the illegal conduct must be carried out "*in the interest or for the benefit of society.*"

The two requirements are autonomous and distinct: on the one hand, there is an interest of the Entity when the perpetrator has acted in order to benefit the Entity, regardless of whether or not the prefigured objective has been achieved; on the other hand, there is an advantage to the Entity when there is a positive result (in terms of profit or cost savings) that the Entity has gained or could have gained from the criminal offence committed by one of the persons specified in Article 5 of the Decree.

In light of the above, the requirement under consideration is deemed to exist both when the interest of the perpetrator coincides with that of the Entity and when the agent, with a view to pursuing his or her own independent interest, objectively realizes that of the Entity as well.

B) Subjective condition

To a first approximation (see, specifically, *infra*) it can be said that, under Articles 6 and 7 of the Decree, the Entity's liability is excluded if, prior to the commission of the offenses:

- suitable Organization, Management and Control Models (hereinafter referred to as "Model" or "Model 231") have been prepared and effectively implemented that are functional in mitigating - within the 'minimum acceptable risk' threshold - the risk of the commission of the criminal offenses of the type that then occurred;
- a control body (Supervisory Board) has been established, and is functioning, with the powers of autonomous initiative and with the task of supervising the functioning of the organization models.

In essence, in order for the crime not to be imputed under the subjective profile, the Entity has the burden of proving that it has done everything in its power to organize, manage, and control the enterprise so as to minimize, within reasonable limits, the risk of the predicate offenses under the Decree being committed.

Specifically, the culpability of the Entity takes on a different configuration depending on whether the Offense-Apposed was committed by a person in an apical position or by a subordinate.

In the former case, the crime tends to be seen as a direct expression of corporate policy. Thus, the Decree contemplates a kind of 'presumption of guilt' against the Entity that can be overcome by proof that the crime was committed by fraudulently circumventing the Model and that there was no omission or insufficient control by the Supervisory Board, which is charged with overseeing the proper functioning and effective compliance with the Model.

In the case of subordinates, on the other hand, liability will arise when the commission of the offence was made possible by the failure to comply with management and supervisory obligations ultimately attributable to the compliance system provided for in the Model; the burden of proof will be on the prosecution in this case.

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In general, the Entity's exclusion of liability is, therefore, subject to the adoption of behavioral protocols appropriate to the corporate structure, organization and type of activity carried out; they aim to ensure that the performance of each business process takes place in compliance with legality, minimizing, in a timely manner, any significant risk situation.

In fact, in the event that the aforementioned safeguards are not implemented, there emerges an "organizational culpability" on the part of the entity: indirectly, it is as if the entity had accepted the possibility of the commission of the crime by failing to adequately supervise the activities and subjects at risk of the commission of alleged crimes.

a. Attempt

The Entity's liability also arises when individuals are charged with crimes committed in the attempted form.

However, Article 26 of the Decree establishes a reduction from one-third to one-half of the fines and Disqualification in the event that one of the predicate offenses is committed.

In addition, the discipline on desistance and active withdrawal contemplated for individuals in Article 56 of the Criminal Code applies to the Entity: the Entity is not liable when it voluntarily prevents the performance of the action or the realization of the event.

b. Corporate affairs

The Decree regulates the administrative liability regime when the Company changes its structure after a crime has been committed (Articles 28, 29, 30, 31, 32 and 33 of the Decree). Specifically:

- In the event of a transformation or merger, the company resulting from the change is liable for crimes committed by the original entity, resulting in the application of the sanctions imposed.
- in the case of partial demerger, the liability of the demerged entity for crimes committed prior to the demerger shall remain unaffected. However, the entities benefiting from the demerger shall be jointly and severally liable, limited to the value of the assets transferred, for the payment of fines owed by the demerged entity for crimes committed prior to the demerger.

Any disqualification sanctions imposed apply to Entities to which the branch of activity within which the crime was committed remained or was transferred, even in part.

In the event of the sale or transfer of the business within which the crime was committed, the transferee is jointly and severally obligated with the transferor to pay the pecuniary penalty, except for the benefit of prior enforcement of the transferor entity and in any case within the limits of the value of the transferred business and the pecuniary penalties resulting from the mandatory books of accounts, or of which the transferee was otherwise aware.

2. TERMINOLOGY

Sensitive Activities: activities at risk of commission of an Offence, i.e., those activities within the scope of which there is a risk of commission of an Offence envisaged by the Decree. These are activities in the performance of which conditions, occasions or means may be created, even instrumentally or indirectly, for the concrete realization of the Offenses-Prescribed;

CCNL: National Collective Labor Agreement applied by the Company;

Code of Ethics: a document that contains the general principles of behavior to which recipients must adhere with reference to the activities defined by this Model;

Consultants: individuals who act in the name and/or on behalf of Silvelox Group S.p.A., by virtue of a mandate contract or other contractual relationship of collaboration;

D. Lgs. 231/2001 or the Decree: Legislative Decree No. 231 of June 8, 2001;

Employees: all natural persons who have an employment relationship with the Company;

Recipients of the Model: means all those to whom the Silvelox Group S.p.A. Model applies and, specifically:

- a) Internal Recipients, namely:
 - Those who perform, even de facto, management, administration, direction, and control functions;
 - Those who have powers of representation of the Company (e.g., general or special attorneys);
 - employees of the Company;
 - all those individuals who collaborate with the Company by virtue of a para-employee relationship, such as project collaborators, temporary workers, temporary workers.
- b) Destined Outsiders, viz:
 - Any External Consultants in charge of managing accounting functions and/or preparing financial statements, limited to the Code of Ethics and *Protocols Money and Financial Flow Management, Accounting Management and Financial Statement Preparation, and Tax Management*;
 - Suppliers, Consultants and Partners of the Company in general, limited to the Code of Ethics;

Guidelines: The Guidelines for the Construction of Organization, Management and Control Models *under* Legislative Decree 231/01 published by Confindustria;

Model: the organization, management and control model required by Legislative Decree 231/2001 and adopted by the Company, which includes all of the following documents:

- Introductory Report [RI231]
- Code of Ethics [CE231]
- General and Special Part [MO231]
- Risk Assessment [RA231]
- Organization chart [ORG231]
- All Operating Protocols [OPs];
- Any internal policies, provided they are expressly referred to in the Special Part of the Model;
- Information Flows [FI231]
- Disciplinary System [SD231]

- Supervisory Board [ODV231]

Sensitive Transaction: a transaction or act that is within the scope of Sensitive Activities;

Supervisory Board or SB: the internal control body, responsible for supervising the operation of and compliance with the Model;

P.A.: acronym for the body of public administration and, with reference to crimes against the public administration, public officials and those in charge of a public service;

Partners: the contractual counterparts, such as suppliers, contractors, subcontractors, lessors, distributors, agents, both natural and legal persons, with whom the Company reaches any form of contractually regulated collaboration, where intended to cooperate with Silvelox Group S.p.A., within the scope of Sensitive Activities;

Personnel: all natural persons who have an employment relationship with the Company, including employees, temporary workers, collaborators, interns, and freelancers who have been engaged by the Company;

Senior Personnel: the individuals referred to in Art. 5 co.1, lett. a) of Legislative Decree 231/2001, i.e., individuals who hold positions of representation, administration or management of the Company or one of its organizational units with financial and functional autonomy;

Personnel subject to the direction of others: the persons referred to in Art. 5, co.1, lett. b) of Legislative Decree 231/2001, or

All personnel working under the direction or supervision of the Senior Personnel;

General Principles of Conduct: the measures and directives provided by the Model in order to prevent the commission of Offenses;

Protocols: appropriately formalized documents aimed at defining the conduct of Personnel i.e., regulating Sensitive Activities to reduce the risk of commission of Offenses-Presumed Offenses;

Crimes or Crimes-presupposed: the types of crimes to which the regulations set forth in Legislative Decree 231/2001 apply, including as a result of its subsequent amendments and additions;

Risk Assessment: a document assessing the risks of commission of the Offenses-Affected, prepared in relation to the various functions and areas of the Company;

Disciplinary System: set of penalty measures applicable in case of violation of the Model's supporting document [MO231] and Code of Ethics [CE231];

Company or Group: Silvelox Group S.p.A.

Violation of the Model: any behavior, carried out by one or more Recipients of the Model that is not in compliance:

- 1) to the Company's Code of Ethics;
- 2) to the General Principles of Conduct described in the Special Part of the Model;
- 3) to the rules governing Information Flows as described in the individual Operating Protocols [OPs] and summarized in the Information Flows document [FI231];

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- 4) to the company's Operating Protocols [OPs] included in this Model as well as any other *policies* internal recalled in the Special Part;
- 5) to the obligations of conduct regarding health and safety at work as governed by law (Article 20 of Legislative Decree 81/2008), regulations and/or other company provisions.

It is also considered a Violation of the Model:

- violation and/or circumvention of the internal control system, carried out by means of the removal, destruction or alteration of the documentation of the procedures provided for or referred to in this Model or by preventing the control or access to information and documentation to the persons in charge, including the SB;
- Failure to supervise as hierarchical or functional head (see Organizational Chart - ORG231), compliance with the requirements of points 1) to 5) described above, by one's subordinates or functionally assigned persons;

- Failure to communicate as functional manager to the hierarchical manager and/or the SB (when required by the Information Flows) on the failure to comply with the requirements of items 1) to 5) described above, by functionally assigned individuals.

3. THE ADOPTION OF THE MODEL

Silvelox Group S.p.A., in order to guarantee and ensure conditions of compliance with the law, fairness, clarity and transparency in the conduct of all company activities, has adopted an Organization, Management and Control Model ("Model," as already defined) in line with the requirements and content of Decree 231.

Briefly, by Organization, Management and Control Model is meant a complex document, containing rules of conduct such as to constitute a behavioral model for those acting within the entity, functional for the prevention of the Offenses-Apposed. These are documents that are integrated into the system-business with a view to *risk management*, specifically aimed at managing and mitigating the risk of commission of the Offenses-Apposed.

Although the adoption of the Model is considered and indicated by Decree 231 as optional and not mandatory, Silvelox Group S.p.A. considers the same a fundamental tool to raise awareness among those who work inside and outside the company; this is to ensure compliance with the general principles and standards of conduct useful to prevent the risk of commission of the Offenses-Pupposed identified in the Risk Assessment, with a view to enhancing, in the long term, the company's assets.

The identification of Sensitive Activities and their management, through an effective system of controls codified, it is proposed to:

- To make fully aware of all those who act on behalf of and for Silvelox Group S.p.A. of the risks of incurring an offense liable to sanctions, on a criminal and administrative level, not only against themselves but also against the Company itself;
- to reiterate that forms of unlawful behavior are strongly condemned by the Company, since (even if the Company were apparently in a position to take advantage of them) they are in any case contrary not only to the provisions of the law but also to the ethical-social principles to which Silvelox Group S.p.A. adheres in carrying out its corporate *mission*;
- Enable the Company, through monitoring of Sensitive Activities, to take action Promptly mitigate the risk of commission of the Offenses.

Among the purposes of the Model, therefore, is to make Recipients aware of the importance corporate and social *compliance* with the operating methods and *policies* adopted.

4. THE STRUCTURE OF THE MODEL

The Model of Silvelox Group S.p.A. consists of the following parts:

- Introductory Report [RI231]: which provides a concise and overall view of the Model, summarizing its purposes, method and fundamental characteristics, with specific reference to the business reality of Silvelox Group S.p.A;
- General Part [MO231], which contains the core principles of the Model, the Supervisory Board and the system of Training and dissemination of the Model among the Recipients;
- Special Part [MO231], which in turn is divided into Sections. Specifically, each Section considers a distinct category of Offenses-Presumed Offenses. The different Sections outline the principles underlying the Company Protocols adopted by the Company and the guidelines of conduct of reference for the Recipients. Each Special Part Section tends to be divided into the following sections:
 - a) description of the criminal offenses;
 - b) Identification of sensitive processes in relation to the offenses;
 - c) Definition of general principles of behavior;
 - d) Identification of operating principles/rules of conduct.
- Code of Ethics [CE231], which contains the ethical principles by which the Company and all Recipients are guided in carrying out their activities.
- Risk Assessment [RA231], i.e., a table that contains assessments of the risk of commission of each Offense-Applied (in terms of probability per impact), taking into account all corporate safeguards, including those pre-existing the Model;
- Disciplinary System [SD231] which codifies the disciplinary sanctions provided for violations of the behavioral standards of the Model;
- Supervisory Board [SB231] which describes the characteristics of the body responsible for supervising the suitability and implementation of the Model;
- Information Flows to and from the Supervisory Board [FI231] which describes, as a whole, the flows Of information related to the activity of the Supervisory Board;
- Organization chart of the Company [ORG231] describing the corporate structure;
- Operational Protocols [OPs]: define operational procedures in relation, in particular, to Sensitive Activities; they are referred to in the Special Part of Document MO231.

In addition, the Annexes to the individual Sections of the Model and any policies, company regulations other than the Operational Protocols [OP] provided that they are referred to in the Special Part of MO231 constitute an integral part.

4.1. OBJECTIVES OF THE MODEL

This Model has been prepared on the basis of the identification of organizational functions at the possible risk, for which the likelihood of the Crimes being committed is considered highest.

The purpose of this Model is to:

- Describe the prevention and control system aimed at reducing the risk of commissioning Of crimes related to the company's business activities;
- to make all those who work in the name and on behalf of Silvelox Group S.p.A., and in particular those engaged in Sensitive Activities, aware that they may incur, in the event of violation of the provisions contained therein, an offence liable to penal and administrative sanctions;
- inform all those who work with Silvelox Group S.p.A. that violation of the provisions contained in this Model will result in the application of appropriate sanctions or termination of the contractual relationship, in accordance with the provisions of the Disciplinary System.

4.2. MODEL RECIPIENTS

As anticipated earlier in the section on Terminology (para. 2), the rules contained in this Model apply to the following parties ("Recipients," which includes both Internal and External Recipients).

- a) Internal Recipients, namely:
 - Those who perform, even de facto, management, administration, direction, and control functions;
 - Those who have powers of representation of the Company (e.g., general or special attorneys);
 - employees of the Company;
 - all those individuals who collaborate with the Company by virtue of a p a r a - e m p l o y e e relationship, such as project collaborators, temporary workers, temporary workers.
- b) External Recipients, namely:
 - Any External Consultants in charge of managing accounting functions and/or preparing financial statements, limited to the Code of Ethics and *Protocols Money and Financial Flow Management, Accounting Management and Financial Statement Preparation, Tax Management*;
 - Suppliers, Consultants and Partners of the Company in general, limited to the Code of Ethics.

Unless otherwise specified below, this Model and the Code of Ethics will refer to the Model's Recipients to include all of the individuals indicated above.

The conduct of the Recipients must comply with the rules of conduct-both general and specific-provided for in this Model and in Silvelox Group S.p.A.'s Code of Ethics.

In addition, the Administrative Body and managers of the Company have a duty to conduct themselves diligently in the detection of violations or any shortcomings of the Model or the Code of Ethics as well as to supervise compliance with them by those under them.

5. THE CHARACTERISTICS OF THE MANAGEMENT, ORGANIZATION AND CONTROL MODEL

5.1 METHODOLOGICAL APPROACH

Pursuant to Article 6(2)(a) of Legislative Decree 231/2001, the Model must, as a preliminary step, identify the activities within the scope of which the crimes considered by the Decree may be committed ("Sensitive Activities").

The mapping of "risk" areas requires continuous updates over time in relation to organizational, regulatory or market changes faced by Silvelox Group S.p.A. as part of its business and corporate activities.

The work of creating the Model was therefore developed in several stages, marked by the fundamental principles of documentation and verifiability of all activities, so as to enable the understanding and reconstruction of every act and operation carried out as well as consistency with the dictates of Legislative Decree 231/2001.



Step 1: Collection and Analysis of all essential documentation

First of all, the available official documentation of Silvelox Group S.p.A. was collected, specifically:

- organizational chart;
- up-to-date Chamber of Commerce visura;
- relevant contracting;
- Internal regulations already in place;
- *forms* and forms in use in business practice;
- Informational materials posted on the Society's website.

These documents were reviewed, in order to form an information platform of the structure and operations of Silvelox Group S.p.A., as well as the allocation of powers and responsibilities within the Company.

Step 2 - Identification of risk activities

The entire activity of the Company was analyzed in order to verify the precise contents, the concrete operating methods, the allocation of responsibilities, and the possibility of the occurrence of the offenses indicated by the Decree.

Areas at risk of commission of crimes relevant under the Decree were therefore identified and shared through interviews conducted with multiple *process owners* within the company.

Step 3 - Identification and analysis of current safeguards against risk

During the interviews with the individuals responsible for the activities identified as sensitive, they were asked to illustrate the existing operational procedures and concrete controls suitable for guarding the identified risk; based on these assessments, the level of criticality (high, medium, low) was determined, in terms of the actual risk profile under Legislative Decree 231/2001, within each process.

Step 4 - Gap Analysis

The risk situation was compared with the needs and requirements imposed by the Decree in order to identify deficiencies in the existing system.

Actions were identified that were most effectively suited to prevent the identified risk hypotheses in practice, also taking into account the existence of operating rules and practices, particularly if formalized.

Step 5 - Establishment of behavior guidelines

For each operational area in which a risk hypothesis has been detected, the consistency of existing operating procedures has been verified and, where necessary, the need has been identified to define appropriate guidelines for the definition of new procedures suitable for governing the identified risk profile. Each procedure, codified in special Protocols (see below), was formally implemented by the relevant operating unit, thus making the rules of conduct contained therein official and obligatory with respect to all those who find themselves performing the activity within the scope of which a risk has been identified.

5.2. PROTOCOLS, PROCEDURES AND CONTROL PRINCIPLES (SEE PO)

Art. 6 of Legislative Decree 231/2001 states that Organization, Management and Control Models, in order to be considered suitable and effective, must "*provide for specific protocols aimed at planning the formation and implementation of the entity's decisions in relation to the crimes to be prevented.*"

The construction of these Protocols is an integral part of the Model; in the absence of specific instructions regarding their definitions, reference is made to the guidance provided by the major trade associations.

The content of the Protocols must:

- Ensure transparency, traceability and recognizability of decision-making and operational processes;

- Provide the binding control mechanisms (audits, approvals, etc.) that are able to Limit arbitrary and/or inappropriate decision making;
- facilitate the supervisory task of the internal body as well as other external and internal supervisory bodies that may be present.

The Protocol, in a general way, crystallizes the primary patterns of behavior to be followed in the execution of a given process. The Protocol can, in other words, be interpreted as a set of general principles and specific control procedures aimed at mitigating the risk of the commission of one or more Offenses-Appealed. The Confindustria Guidelines identify three fundamental elements of Protocols:

- the principle of traceability, according to which "*every operation, transaction, action must be verifiable, documented, consistent and congruous.*" Every initiative must, therefore, be accompanied by adequate documentary support that facilitates controls and ensures appropriate evidence of transactions;
- the principle of *segregation of duties (segregation of activities)* in relation to which "*no one can manage an entire process completely independently,*" while taking into account that this principle must be calibrated taking into account the size and operational complexity of the company.

The activities that make up the process must, in fact, be appropriately divided-as far as is possible and reasonable, taking into account the size and complexity of the company-among several actors in order to avoid a single person managing them entirely. Based on this principle, operating procedures should, therefore, be structured in such a way as to ensure the separation of the decision-making, authorization, execution, registration and control phases of the operations concerning the activity deemed to be subject to a risk of crime;

- principle of supervision, which particularly concerns the Supervisory Board. Supervision of the implementation and operation of the Model and the performance of the relevant competence checks must be documented and attested by the control system.

6. THE CODE OF ETHICS (SEE CE231)

A key element in the implementation of a model designed to reduce the risk of crime is the development, within the organization, of a cultural climate that deters the commission of crimes. To this end, an important operation consists in the adoption of a Code of Ethics that encapsulates the commitments and moral responsibilities in the performance of activities by the people who work within the Entity or who enter into a qualified relationship with it, with the aim of:

- Maintain and spread the relationship of trust with *stakeholders*, whether they are corporate bodies, staff, customers, suppliers, public agencies and/or trade associations;
- To deter unethical behavior.

The Code of Ethics [CE231] also makes explicit the ethical horizon to which the Administrative Body, employees, and Recipients in various capacities involved must be inspired, accepting responsibilities, roles and rules for the violation of which they personally assume responsibility to the Company.

7. THE DISCIPLINARY SYSTEM (SEE SD231)

The effective implementation of the Model requires an adequate system of sanctions. Pursuant to Articles 6(2)(e) and 7(4)(b) of the Decree, the Model can in fact be considered effectively implemented only if it provides for a disciplinary system aimed at sanctioning non-compliance with the measures contained therein.

The characteristic requirements of the penalty system are:

- **specificity and autonomy:** by *specificity* is meant the provision of an internal penalty system within the Company having the purpose of sanctioning any violation of the Model. By *autonomy* we refer to the self-sufficiency of the functioning of the internal disciplinary system. The Company is obliged to sanction the violation regardless of the course of any criminal case pending against the perpetrator who is a natural person.
- **compatibility:** the procedure for the assessment and application of the sanction as well as the sanction itself may not be in conflict with the legal and contractual regulations governing the existing employment relationship with Silvelox Group S.p.A;
- **Suitability:** the system must be efficient and effective in preventing the commission of crimes;
- **Proportionality:** the penalty must be proportionate to the violation detected and the type of employment relationship established with the employee (subordinate, parasubordinate, managerial, etc.);
- **drafting in writing and appropriate disclosure:** the system of sanctions must be drafted in writing and must be the subject of information and training towards the Recipients, as well as publication in accordance with Article 7 of the Workers' Statute (in particular the part relating to the sanctions provided for Employees).

7.1. THE RECIPIENTS AND THEIR DUTIES

The Recipients of the Disciplinary System [SD231] correspond to the recipients of the Model itself. The Recipients are obliged to conform their conduct to the principles enshrined in the Code of Ethics, as well as to all organizational and behavior standards defined in the Model (see Violation of the Model sub par. 2 - *Terminology*).

Any Violation of the Model represents:

- in the case of directors, failure to comply with the duties imposed on them by law and the bylaws to the
Pursuant to Article 2392 of the Civil Code;
- in the case of Employees, a breach of contract in relation to obligations arising from the
from the employment relationship under Article 2104 of the Civil Code, resulting in the application of Article 2106 of the Civil Code;
- in the case of third parties (External Recipients), constitutes breach of contract that could legitimize termination of the contract, without prejudice to compensation for damages.

The implementation of the sanctions listed below takes into account the particularities arising from the legal *status* of the person against whom proceedings are being taken. See, in this regard, the specific document containing the Disciplinary System [SD231].

7.2. GENERAL PRINCIPLES REGARDING PENALTIES

The sanctions provided for must comply with the principle of gradualness and proportionality with respect to the seriousness of the Model Violations. The determination of the type, as well as the extent of the sanction must consider:

- The severity of the Violation;
- The position held by the agent within the corporate organization, especially in Consideration of the responsibilities associated with his duties;
- Any aggravating and/or mitigating circumstances that may be noted in relation to the conduct engaged in by the recipient.

For more guidance, see SD231, which defines the Model Violation Types.

7.3. SANCTIONS AGAINST EMPLOYEE PERSONNEL.

Disciplinary offenses related to employees arising from any Violation of the Model as defined above (see Section 2 - Terminology) assume significance

Sanctions against employees fall under those provided for in the relevant collective bargaining agreement, in compliance with

Of the procedures stipulated in Article 7 of the Workers' Statute.

For employees, in application of the National Collective Labor Agreement, the following sanctions are provided:

- verbal reprimand
- written reprimand
- Fine of not more than 3 hours' pay
- Suspension from work and pay up to a maximum of 3 days
- dismissal (with or without notice)

The aforementioned sanctions are variously imposed, based on the principles of gradualness and proportionality, in relation to the specific Types of Violations specified in the document "Disciplinary System" [SD231], a constituent element of this Model.

7.4. MEASURES AGAINST DIRECTORS

Silvelox Group S.p.A. assesses with extreme severity the Violations of this Model committed by those who hold the role of top management of the Company and represent it to employees, customers, the

creditors, the Supervisory Authorities. The directors' liability to the Company is, at all effects, regulated by Article 2392 of the Civil Code.

The Administrative Body is responsible for evaluating the offense and taking the most appropriate measures against the individuals who have committed the Infractions. In this assessment, the Administrative Body is assisted by the SB. For applicable penalties, see SD231.

7.5. MEASURES IN RESPECT OF EXTERNAL RECIPIENTS

Any significant Violation of the Model, in the parts respectively applicable to the various External Recipients (as provided for under *Terminology* - External Recipients, above par. 2) may result - in accordance with the provisions of the specific contractual clauses included in the letters of appointment or contracts - in the termination or withdrawal from them.

Contracts entered into by Silvelox Group S.p.A. with the aforementioned external parties must contain an appropriate declaration of knowledge of the existence of the Code of Ethics and the Model and the obligation to comply with the requirements of these documents, where applicable to them (see above, *Terminology* - par. 2) , or, if it is a foreign party or one operating abroad, to comply with international and local regulations for the prevention of risks that may result in liability resulting from the commission of crimes by the Company.

8. THE SUPERVISORY BODY

8.1. GENERAL CHARACTERISTICS AND FUNCTIONS OF THE ODV

Article 6 paragraph 1 letter b) of Legislative Decree 231/2001 assigns the functions of supervising the operation and compliance with the organizational model to a body of the Entity with autonomous powers of initiative and control, the so-called Supervisory Board.

Specifically:

- autonomy as freedom of action and self-determination. In relation to this requirement, it is believed that the Supervisory Board should be exempt from operational duties that would compromise its judgment. The Supervisory Board must be able to perform its functions in the absence of any form of interference and conditioning by the Entity and the Administrative Body. The control carried out by this body must, in fact, also be carried out with respect to the Management Body that appointed it. The Models provide for the obligation to inform the body appointed to supervise the functioning and observance of the models. Autonomy should, therefore, also be understood as the power to access all information useful for the purposes of carrying out control activities;
- independence-a requirement not expressly referred to in the Decree-as a necessary condition of non-subjugation or non-subservience to the Company and its *management*;
- professionalism, to be understood as suitability for carrying out the functions assigned by law to the Supervisory Board. It is necessary for the Supervisory Board to have a set of both corporate and legal knowledge, as the supervision of the Models and the periodic updating of the

themselves require multidisciplinary preparation. From a legal perspective, it is believed that the exercise of supervisory and control activities includes the possession of specific knowledge in criminal, civil and corporate law;

- continuity of action, understood as incessant operation of the Supervisory Board. Codes of conduct drawn up by trade associations require the exclusive, full-time performance of monitoring activity on the Model in the case of medium- and large-sized companies.

The members of the SB are required, in addition to the possession of professional skills, to possess formal requirements such as honorability and absence of conflicts of interest, so as to ensure autonomy and independence in the performance of their functions. The choice of the members of the Supervisory Board cannot disregard a careful analysis of the specific corporate context in which it is called upon to operate, starting with the size and organizational complexity of the specific entity, as well as the delicacy of the activities carried out.

8.2. DUTIES, RULES AND POWERS OF THE SUPERVISORY BODY

The functions and duties of the SB are defined *ex lege* by Article 6 paragraph 1 letter b) of the Decree. They consist of the:

⇒ vigilance related to:

- compliance with the Model in particular on the compliance of the behaviors concretely implemented within the Entity with the provisions of the Model, highlighting deviations and gaps to the Administrative Body;
- functioning of the Model, in terms of its suitability and adequacy in relation to the specific activities carried out by the Entity and its organization and the possible emergence of new Sensitive Activities;

⇒ take care of updating the Model (in particular, in case of regulatory changes or significant company changes).

In order to carry out these tasks, the SB shall:

- monitor and interpret relevant regulations and verify the adequacy of the Model with respect to these regulations, reporting possible areas of intervention to the Administrative Body;
- Make proposals regarding the need to update and adjust the adopted Model;
- Process the findings of control activities on the basis of the audits;
- Report to the Administrative Body any news of violations of the Model;
- Prepare periodic information reports to the Administrative Body;
- monitor initiatives aimed at disseminating and raising awareness of the Model, and those aimed at training Recipients.

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Amendments and additions to the Model proposed by the Supervisory Board in the performance of its duties are referred to the exclusive jurisdiction of the Company's Administrative Body, which may provide for them entirely independently.

The Governing Body annually approves the forecast of expenditures for the current year as well as the final statement of expenditures for the previous year; the SB, in order to be able to fully discharge its duties, must:

- Be endowed with powers to request and acquire data, documents and information from and to every level and sector of the Company;
- be endowed with powers to investigate, inspect and ascertain behavior (including through *audits* of personnel with guaranteed secrecy and anonymity), as well as to propose any sanctions against individuals who have not complied with the requirements contained in the Model.

All documentation concerning the activities carried out by the SB (alerts, information, inspections, assessments, reports, etc.) is kept for a period of at least 5 years (without prejudice to any additional preservation requirements stipulated by specific regulations) in a special archive, access to which is allowed exclusively to the members of the SB.

8.3. APPOINTMENT AND TERMINATION OF OFFICE

The members of the Body are appointed by reasoned resolution of the Administrative Body, which rules on the existence of the requirements of autonomy, independence, honorability and professionalism of the members.

The term of office of the SB is, as a matter of practice, not to exceed three years, and members can be removed only

for just cause. Members are eligible for re-election for additional terms.

Appointment of the members of the SB, as well as termination, must be made known to all Recipients of the Model by, or at the instigation of, the Administrative Body by e-mail communication and/or in any other form deemed appropriate.

8.4. REGULATIONS OF THE SUPERVISORY BODY

For the purposes of its own functioning (by way of example, for the planning of activities, the taking of minutes of meetings and the regulation of information flows from the corporate structures as well as for the determination of the time intervals of controls, the identification of analysis criteria and the exercise of any other activity attributed to it), the SB - if in collegiate composition, by a majority of the members - draws up and approves its own Regulations which, as well as any subsequent updates thereto, are made known to the Administrative Body of Silvelox Group S.p.A.

8.5. PAY, ENDOWMENTS AND OPERATIONS

The annual remuneration of members of the SB is determined by the Governing Body at the time of appointment and remains unchanged throughout the term of office.

For the exercise of its functions, the SB is - in addition - provided with an annual expenditure budget, which is also approved by resolution of the Administrative Body, with respect to the use of which the SB reports annually to the Administrative Body

The SB may directly dispose of this budget for any needs necessary for the proper performance of its duties. Said budget may be supplemented, upon reasoned request of the SB, to meet unforeseen and unreasonable needs (see also SB231).

The SB will have access to the company's information system (network, applications, etc.) as a whole and will be provided with its own direct e-mail address (odv@silvelox.it) in order to better operate also with a view to protecting personal data and safeguarding confidentiality, cataloguing and sending/receiving communications/reports.

9. COMMUNICATION AND TRAINING ACTIVITIES

9.1. COMMUNICATIONS TO THE SUPERVISORY BODY

In order to ensure the effectiveness of the Model, the Company ensures its wide dissemination and appropriate training to all relevant Recipients.

All Recipients of the Model have the duty to report to the Supervisory Board the commission of crimes as well as any conduct and/or practices that are not in line with the behavioral norms set forth in the Model, the Code of Ethics within their area of responsibility. Failure to comply with this duty constitutes, in turn, a Violation of the Model (see above, also in relation to disciplinary sanctions).

Accordingly:

- notice of proceedings and/or acts in criminal, inspection and/or tax matters directed at directors, Employees, Consultants of the Company or individuals who involve or may involve the Company must be forwarded to the SB;
- any reports concerning the commission of crimes or, in any case, conduct in general not in line with the standards set forth in the Model must be forwarded to the SB;
- relevant information specified in the document just cited [FI], as well as in the individual Operating Protocols, must then be transmitted to the *Supervisory Board* by the Administrative Body and/or the other parties identified in the *Document - Information Flows to and from the Supervisory Board*.

9.2. ODV'S HANDLING OF REPORTS

The Supervisory Board evaluates the reports received and the subsequent inspection, reporting, and inspection activities to be put in place.

Any sanction measures will, however, be taken by the competent bodies and offices of the Company. In any case, except as provided in the SB Regulations:

- the influx of reports must be channeled to the Supervisory Board, which evaluates the reports received and the initiatives to be implemented, possibly hearing the author of the report as well as the alleged perpetrator of the violation. The Body must give written reasons for any decision to deny the investigation or dismiss it;
- reports must be sent in written form;

- the SB proceeds in the handling of reports in such a way as to guarantee whistleblowers against any form of retaliation, discrimination or penalization by ensuring, where possible, the confidentiality of the identity of the whistleblower, without prejudice to legal obligations and the protection of the rights of the Company or persons accused in bad faith.

9.3. REPORTING OF THE SUPERVISORY BODY

In order to ensure full autonomy and independence in carrying out the relevant functions, The Supervisory Board communicates directly with the Administrative Body.

Similarly, the Supervisory Board reports to the Corporate Bodies on the state of affairs regarding the implementation of the Model and the results of its supervisory activities through direct reporting carried out annually to the Administrative Body by means of a written report, in which the monitoring activities carried out by the Board itself, the critical issues that have emerged, and any corrective or improvement measures appropriate for the implementation of the Model are illustrated.

Reporting activities must be documented through minutes and kept in the records of the Body, In compliance with the principle of confidentiality of the data and information contained therein.

To ensure a correct and effective flow of information, as well as for the purpose of complete and proper performance of its duties, the Body is also empowered to request clarifications or information directly from those with key operational responsibilities.

9.4. STAFF TRAINING (SEE PO-13) AND DISSEMINATION OF THE MODEL

Silvelox Group S.p.A. will put in place shrewd personnel training on the Model adopted, disseminating information on the same to the Recipients, differentiating the activities according to the roles covered by the Recipients themselves and their degree of involvement in Sensitive Activities (see, in this regard, *Protocol - Training 231*).

Training of subordinates is the responsibility of the Administrative Body and the Administrative Manager, in close cooperation with Area Managers.

The tools, expressly referred to within the Model, that are used for training purposes are the conduct of courses and subsequent updates and/or mandatory attendance training programs.

Disclosure of the Model is made by top executive management and must reach the entire organization for the purpose of publicizing the principles of behavior, *standards* and procedures adopted.

Silvelox Group S.p.A. will communicate the adoption of the Model to customers and suppliers, consultants and *partners* as well as the obligation to comply with the Code of Ethics and the applicable provisions of the Model, through the introduction of a special contractual clause.

10. CROSS REFERENCE

The *Cross Reference* between the specific crimes and the documentary structure implemented to prevent the commission of those crimes is kept constantly updated and is an integral part of the Model.

D. Lgs. 231/2001	Business documents supporting the MODEL
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Art. 24	CE231, MO231, PO-02, PO-03, PO-04
Art. 24-bis	CE231, MO231, PO-08
Art. 24-ter	CE231, MO231, PO-02, PO-03, PO-04, PO-05, PO-06, PO-07, PO-08, PO-09, PO-10, PO-11, PO-12
Art. 25	CE231, MO231, PO-02, PO-03, PO-04, PO-07, PO-12, PO-15
Art. 25-bis	CE231, MO231, PO-02, PO-06, PO-09
Art. 25-bis.1	CE231, MO231
Art. 25-ter	CE231, MO231, PO-02, PO-04, PO-06, PO-12
Art. 25-quater	P.I.
Art. 25-quater 1	P.I.
Art. 25-quinquies	CE231, MO231, PO-07, PO-08,
Art. 25-sexies	P.I.
Art. 25-septies	CE231, MO231, PO-10
Art. 25-octies	CE231, MO231, PO-02, PO-06
Art. 25-octies. 1	CE231, MO231, PO-02
Art. 25-novies	CE231, MO231, PO-08
Art. 25-decies	CE231, MO231, PO-06, PO-15
Art. 25-undecies	CE, MO231, PO-11, PO- 14
Art. 25-duodecies	CE231, MO231, PO-07
Art. 25-terdecies	CE231, MO231, PO-08
Art. 25-quaterdecies	CE231, MO231, PO-12
Art. 4	CE231, MO231, PO-02, PO-03, PO-04, PO-05, PO-06, PO-07, PO-08, PO-09, PO-10, PO-11, PO-12, PO-15
Art. 25-quinquiesdecies	CE231, MO231, PO-02, PO-03, PO-04, PO-05, PO-06
Art. 25-sexiesdecies	CE231, MO231, PO-09
Art. 25-septiesdecies	N.A.
Art. 25-duodevicies	N.A.

SIGLA	BUSINESS DOCUMENT
Code of Ethics (EC231)	A document that contains the general principles of behavior to be followed by the recipients with reference to the activities defined by the Organization, Management and Control Model adopted by the Company
MO231	Document that summarizes the functional safeguards to mitigate the risk of commission of Offenses-Presumed Offenses, consists of the General Part and the Special Part
Protocol (PO - 01)	Identification of top individuals
Protocol (PO - 02)	Monetary and financial flows
Protocol (PO - 03)	Relations with the p.a. and management of inspections
Protocol (PO - 04)	Accounting management and budgeting
Protocol (PO - 05)	Taxation management
Protocol (PO - 06)	Selection and management of relationships with consultants, suppliers and agents
Protocol (PO - 07)	Personnel selection and management
Protocol (PO - 08)	Use of corporate assets
Protocol (PO - 09)	Principals in customs matters
Protocol (OP - 10)	Occupational Safety Management
Protocol (OP - 11)	Waste management and environmental risk
Protocol (OP - 12)	Entertainment expenses and gifts
Protocol (OP - 13)	231 training project
Protocol (OP - 14)	Production and Warehouse Management
Protocol (PO-15)	Litigation Management
Protocol (PO-16)	Protection of corporate know-how
Protocol	Whistleblowing