

PUGLIAINOX
divisione arredamenti



MODEL 231



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DEFINITIONS

“Sensitive Activities” or **“Areas at risk”**: the activities and / or areas of the Company in which there is a risk of commission of the Offenses.

“Consultants”: the subjects who act in the name and / or on behalf of the Company pursuant to a mandate contract or other contractual collaboration relationship.

“Recipients”: the Company’s corporate bodies.

“Leg. 231/2001” or the **“Decree”**: Legislative Decree 8 June 2001, n. 231 and subsequent amendments or additions.

“Internal auditing”: professional consultancy and assistance in achieving corporate objectives.

“Guidelines”: the Guidelines for the construction of the Organization, Management and Control Model pursuant to Legislative Decree 231/2001, approved by Confindustria on 7 March 2002 and subsequent amendments and / or additions.

“Model”: the organization, management and control model required by Legislative Decree 231/2001.

“Sensitive Operation”: operation or act that is part of the Sensitive Activities.

“Administrative Body”: the Directors of the Company.

“Corporate Bodies”: the Shareholders’ Meeting of the Company, as well as their respective members.

“Supervisory Body” or **“SB”**: the internal control body responsible for supervising the functioning and observance of the Model, as well as its updating.

“P.A.”: the public administration and, with reference to crimes against the public administration, public officials and persons in charge of a public service (eg concessionaires of a public service).

“Partner”: the contractual counterparties of IL LATTONIERE Srl, such as suppliers, both natural and legal persons, with whom the Company enters into any form of contractually regulated collaboration, where intended to cooperate with the Company in the context of Sensitive Activities.

“Protocol”: specific procedure for the prevention of crimes and for the identification of the subjects involved in the business process.

“Offenses”: the types of offenses to which the provisions of Legislative Decree 231/2001 apply, also following subsequent amendments and additions.

“Risk assessment”: assessment of corporate risks.

“Stakeholders”: subjects who come into contact with the Company, bearers of independent interests to be respected and valued (within this category are included the members, collaborators-employees, customers, the community and the market).

“Il Lattoniere S.r.l.” or **“Company”** or **“Body”**: Il Lattoniere S.r.l. .

“Code of Ethics”: set of behavioral rules adopted by the Company together with this document.

CHAPTER 1

DESCRIPTION OF THE REGULATORY FRAMEWORK: LEGISLATIVE DECREE n. 231/01

GENERAL PART

1.1 Introduction

With the Legislative Decree n. 231, of 8 June 2001, concerning the *"Discipline of the administrative liability of legal persons, companies and associations, even without legal personality, pursuant to art. 11 of the law 29 September 2000, n. 300"* (hereinafter also the *"Decree"* or the *"Legislative Decree 231/2001"*), which entered into force on the following 4th July, the administrative - criminal liability was introduced also for legal persons.

The rationale of the Decree is that of introducing into our legal system a liability regime for legal persons (hereafter the *"Entities"*) for some crimes committed in the interest or for the benefit of the same: responsibility which is added to that of the natural person who has the offense was physically committed.

Specifically, Legislative Decree 231/01 provides:

- » the introduction of administrative liability for offenses for entities and companies;
- » a list of crimes for which the entity can be held responsible;
- » the attribution of responsibility in the case of an offense committed by persons in top positions or in subordinate positions;
- » the exclusion of the entity's liability in cases where the offender committed the crime in the exclusive interest of himself or of third parties;
- » a catalog of sanctions;
- » the jurisdiction of the criminal judge.

1.2. The types of crime

The crimes for which the Entity can be held liable pursuant to Legislative Decree 231/2001 and following mm. and ii. are the following: ¹

- » crimes committed in relations with the Public Administration (such as corruption, embezzlement, bribery, embezzlement against the State, fraud against the State and computer fraud, undue induction to give or promise utility, traffic of illicit influences, etc., art. 24 and 25);
- » crimes against public faith (such as crimes of counterfeiting money, public credit cards, revenue stamps and instruments or signs of recognition, art. 25-bis);
- » corporate crimes ;
- » crimes for terrorism or subversion of the democratic order (art. 25-quater);
- » crimes against individual personality (such as the exploitation of prostitution, child pornography, trafficking in persons, reduction and maintenance of slavery, etc., art. 25-quinquies);
- » mutilation practices of the female genital organs, provided for in art. 25-quater.1;
- » market abuse and administrative offenses (art. 25-sexies);
- » crimes of manslaughter and serious or very serious injuries committed in violation of the rules on the protection of health and safety at work (art. 25-septies);
- » receiving stolen goods, money laundering and the use of money, goods or utilities of illicit origin and self-laundering (art. 25-octies);
- » computer crimes and illegal data processing (abusive access to a computer and / or telematic system, damage to computer and telematic systems, etc., art. 24-bis);
- » organized crime offenses (art. 24-ter);
- » crimes against industry and commerce (art. 25-bis.1);
- » copyright infringement crimes (art. 25-novies);
- » inducement not to make statements or to make false statements to the judicial authority (art. 25-decies).
- » environmental crimes (art. 25-undecies).
- » crime of employment of third-country nationals whose stay is irregular (art. 25-duodecies).
- » crime of racism and xenophobia (art. 25-terdecies).

¹ Cui si aggiungono i reati transnazionali previsti dall'art. 10 della L. 146/2006 e ss. mm. e ii. .

1.3 The perpetrators of the crime

According to Legislative Decree 231/01, the entity is responsible for crimes committed, to its advantage or in its interest, by:

- » persons who hold representative, administrative or managerial functions of the entity or of an organizational unit with financial and functional autonomy, as well as persons who exercise, even de facto, the management and control of the entity (so-called subjects in top positions, see art.5, first paragraph, letter a, Legislative Decree 231/2001);
- » persons subject to the direction or supervision of one of the subjects in top positions (so-called subjects subject to the direction of others, see art. 5, first paragraph, letter b, Legislative Decree 231/2001).
- » On the other hand, the company cannot be called to respond if the persons indicated have acted in the exclusive interest of themselves or of third parties (art. 5, second paragraph, Legislative Decree 231/2001).

1.4 Interest or advantage for companies

An essential condition for hypothesizing the liability of the Entity is that the offense was committed - by persons in top positions, or by those who are subject to the direction of others - *"in the interest or advantage of the Company"* and not *"in the exclusive interest of one's own or of third parties"* (art. 5, first and second paragraphs, Legislative Decree 231/2001).

Therefore, it must be considered that liability occurs not only where the unlawful behavior has resulted in an advantage - patrimonial or otherwise - for the entity, but also in the hypothesis in which, even in the absence of such a result, the crime occurred however carried out in the interest of the Company.

The Government Report accompanying the Decree attributes to the word *"interest"* a *"subjective"* meaning, corresponding to the will of the author, or of the natural person who materially committed the offense: in fact, he must have activated himself having as an end the own action the realization of a specific interest of the entity.

On the other hand, the noun *"advantage"*, the Legislator has clearly attributed an 'objective' meaning, inherent to the actual results of the agent's conduct: the reference is to the cases in which the perpetrator of the crime, although not willing pursuing an interest of the entity, however, carries out a conduct, and integrates an event, which results in an advantage for the legal person.

Like the Report, however, the search for *"interest"* requires an ex ante verification; vice versa, the one on the *"advantage"* - which, as just mentioned, can be drawn from the body even when the natural person has not acted in his interest - postulates an *"ex post"* assessment, having to concretely evaluate the result of the criminal conduct.

1.5 Applicable Penalties

The second paragraph of Article 9, Legislative Decree 231/2001, governs the penalties provided for administrative offenses dependent on a crime, distinguishing them into:

- » financial penalties;
- » disqualification sanctions (disqualification from the exercise of activities, suspension or revocation of authorizations, licenses and concessions, prohibition from contracting with the P.A., exclusion from loans and contributions, prohibition from advertising goods and services);
- » confiscation;
- » publication of the sentence.

The pecuniary sanction and confiscation are mandatory, always ordered in the event of conviction; the disqualification sanctions - which, moreover, can also be applied as a precautionary measure - and the publication of the sentence is, on the contrary, merely possible.

Article. 13 provides that disqualification sanctions can only be applied in relation to cases expressly provided for by the law - crimes against the public administration, some crimes against the public faith, such as counterfeiting money, crimes relating to terrorism, as well as crimes against personality individual - and when at least one of the following conditions occurs:

- » Ente the entity derived a significant profit from the crime and the crime was committed by persons in top positions, or by subjects subject to the direction of others when, in this case, the commission of the crime was determined or facilitated by serious organizational deficiencies;
- » there is a repetition of the offenses.

In this regard, it must now be acknowledged that the Law of 9 January 2019, n. 3, containing “Measures to combat crimes against the public administration, as well as regarding the prescription of the crime and the transparency of political parties and movements”, published in the Official Journal of 16 January 2019, n. 13, in bringing various changes as regards the types of crime against the PA, has also significantly modified the regime of accessory disqualification sanctions (the new regulation is detailed in detail in Special Part A - crimes against the Public Administration, which makes up this Model).

It is also appropriate to highlight the peculiar provision of art. 15 of the Decree, the rationale of which is evidently to be found in the safeguarding of publicity interests and, in the first place, in the protection of employment: and indeed, for entities that perform a public service or a public necessity service, whose interruption may in any case to cause serious harm to the occupation, the judge - instead of applying a temporary disqualification sanction against the Company - orders its continuation by means of a commissioner appointed for this purpose and for a time equal to the duration of the disqualification penalty that would have been imposed.

The commissioner, in turn, takes care of the adoption and effective implementation of the organization and control model suitable for preventing crimes of the kind that occurred, while the profit achieved during the management of the entity by the judicial commissioner is always subject to confiscation.

1.6 Conditions of exclusion of liability from the Body

In order to be able to exclude the entity’s liability for the offenses provided for by Legislative Decree 231/01, thus benefiting from the exemption expressly provided for by the legislation, the Company must adopt an organization, management and control model such as to respond to the needs of the reference company.

In particular, pursuant to art. 6 of the Decree, *“if the offense was committed by the persons indicated in article 5, paragraph 1, letter a)², the entity is not liable if it proves that”*:

- » the management body has adopted and effectively implemented, before the commission of the offense, an organization and management model suitable for preventing crimes of the type that have occurred;
- » has been entrusted to an internal body with autonomous initiative and control powers, the so-called Supervisory Body, the task of supervising the functioning, observance and updating of the Model;
- » natural persons have committed the crime by fraudulently circumventing the Organization and Management Model;
- » there has been no omission or insufficient supervision by the Supervisory Body.

Legislative Decree 231/2001 identifies the cardinal principles of the organization and management models, requiring that they respond - in relation to the extension of the delegated powers and the risk of committing crimes - to specific needs, analytically described by the Legislator:

- » identify the activities in which the offenses may be committed;
- » provide for specific protocols aimed at planning the formation and implementation of corporate decisions in relation to the offenses to be prevented;
- » identify ways of managing financial resources suitable to prevent the commission of crimes;
- » provide for information obligations towards the Body appointed to supervise the functioning and observance of the organizational Model (Supervisory Body);
- » introduce a disciplinary system suitable for sanctioning failure to comply with the measures indicated in the Organizational Model.

In the case of an offense committed by subjects subject to other management³, moreover, the liability of the Body is excluded if there is no causal link between the consummation of the offense and the failure to comply with the management and supervision obligations.

Finally, liability is also excluded if, before the offense was committed, the Company adopted and effectively implemented an organization, management and control model suitable for preventing crimes of the type that occurred.

2 La disposizione fa riferimento alla “persone che rivestono funzioni di rappresentanza, di amministrazione o di direzione dell’ente o di una sua unità organizzativa dotata di autonomia finanziaria e funzionale nonché da persone che esercitano, anche di fatto, la gestione e il controllo dello stesso”.

3 Art. 5, primo comma, lett. b), D.Lgs. 231/2001.

1.7 I Codici di comportamento predisposti dalle associazioni rappresentative degli enti: Le Linee Guida di Confindustria

In preparing this Model, the Company was inspired by the principles set out in the Guidelines issued by Confindustria.

In compliance with the provisions of art. 6, third paragraph, Legislative Decree 231/01, Confindustria first issued "*Guidelines for the construction of organization, management and control models pursuant to Legislative Decree no. 231/2001*" (hereinafter also "Confindustria guidelines").

Like these Guidelines, the fundamental elements in the construction of the Model can be traced back to three lines of intervention:

- » identification of risk areas, aimed at verifying in which company area / sector the offenses envisaged by the Decree are possible;
- » preparation of a control system capable of preventing risks through the adoption of specific procedures;
- » provision of information obligations for the Supervisory Body.

These guidelines were modified in July 2014 and the new version adapts the previous text of 2008 to the jurisprudential changes as well as to those of the application practices that have occurred in the meantime, maintaining the distinction between the two parts already indicated in the previous version, namely the general one and the one special.

CHAPTER 2

THE ORGANIZATION AND MANAGEMENT MODEL

2.1 Motivations of Il Lattoniere S.r.l. to the adoption of the Organization and Management Model

Il Lattoniere S.r.l. has deemed it necessary to adopt an organization, management and control Model (hereafter the "Model") in compliance with the Decree, in order to guarantee prerequisites of correctness and transparency in the performance of its activities through constant monitoring of the most sensitive company processes.

The Company believes that the adoption of this Model, together with the simultaneous issue of the Code of Ethics, constitute, beyond the legal requirements, a valid awareness tool for all those who work for and with the Company (employees, suppliers, agents, partner, etc.).

Main objective of Il Lattoniere S.r.l. is the observance - by all those who work for and with the Company - of conduct characterized by fairness and transparency, in line with the ethical and social values which inspire the Company in pursuing its corporate purpose and such as to prevent the risk of committing the offenses covered by Legislative Decree 231/01.

To this end, it should also be noted that, within the corporate organization, the following main controls are noted, which must be considered an integral part of this Model:

- » Risk assessment document for workers' safety and health and related prevention and protection measures, dated 20.1.2014, updated on 20.5.2015, which also describes the processes for carrying out the activities business.

2.2. Supervision of the activities and administration system of Il Lattoniere S.r.l.

Il Lattoniere S.r.l., established on 28.2.2007 and in activity since 14.3.2007, carries out the manufacture, installation and repair of metal structures, furniture and metal furnishings, extraction hoods and flues as its main activity.

For the performance of the aforementioned activity, with authenticated private deed dated 14.3.2007, registered in Taranto on 03.4.2007 at no. 61, Il Lattoniere S.r.l. has entered into a business unit rental agreement with the sole proprietorship "Il Lattoniere di Montanaro Giovanni", based in Grottaglie (TA) at Viale Jonio nn. 13, 14 and 15, by means of which the latter has leased to the Company the company branch of its property organized for the activity of "manufacture, installation and repair of furniture, metal furnishings and extractor hoods", current in Grottaglie at Viale Jonio nn. 13 and 15.

Through the minutes of the Shareholders' Meeting of 30.12.2009, registered in Taranto on 04.1.2010 at no. 36 IT, the shareholder Montanaro Giovanni contributed to Il Lattoniere S.r.l. the business unit of which it was the owner of the aforementioned Individual Company.

Finally, by means of a business lease contract dated 14.3.2012, registered in Taranto on 15.3.2012 at no. 3676 IT, the Individual Company mentioned several times has leased Il Lattoniere S.r.l. the business complex consisting of the plants, machinery and equipment suitable for carrying out the activity of "manufacturing of metal structures and parts of structures, installation of plants, supply and installation of industrial hoods, canals and smoke and vapor extraction systems in stainless steel, galvanized sheet, copper".

The main activity is conducted through the following brand:

- » "PugliaInox", consisting of the verbal element composed of the words "puglia" and "inox" united in a single term, registered in Italy on 14.3.2011.

Il Lattoniere S.r.l. has its registered office in Grottaglie (TA) at via Nuova Z. PIP - c.da Crisete snc, where the main activity described above takes place, the right commercial lease agreement signed on 01.2.2012 and registered with the Agenzia delle Revenue of Taranto on 27.2.2012 at n. 147 3T Series, between the Company and the sole proprietorship "Il Lattoniere di Montanaro Giovanni", mentioned above, to be understood as strictly connected to the transfers of ownership and enjoyment of the company listed above. Also, the following secondary activities are carried out at the registered office:

- » from 07.10.2011, wholesale trade of steel pipes, extraction hoods, metal structures of any type and shape, indoor and outdoor equipment and any other steel equipment;
- » from 18.4.2012, installation and maintenance of production, transformation, transport, distribution, use of electricity, protection systems against atmospheric discharges, as well as systems for the automation of doors, gates and barriers; of heating, air conditioning, conditioning and refrigeration systems of any nature or species; water and sanitation systems of any nature and species;
- » from 01.9.2017, construction works.

Currently, the Company does not have local units.

The administration system is of a single-person nature, the administrative body is made up of a single director with the attribution of the legal representation of the Company and of the broader powers for ordinary and extraordinary corporate management, in accordance with what is established by the Shareholders with the appointment decision of 29.10.2013.

There is no Board of Statutory Auditors nor are there managers.

There are no other procedures and / or proxies issued for the exercise of specific functions, except for the position of manager in charge of technical management pursuant to Ministerial Decree n. 37/2008, conferred to a third party with respect to the sole director by appointment deed dated 18.4.2012.

The share capital, equal to Euro 119,000.00 as per the chamber of commerce registration as of 14.1.2019, is distributed among the shareholders at a rate of 75% in favor of the shareholder Montanaro Giovanni and 25% in favor of the shareholder Montanaro Antonietta.

With particular regard to personnel management, it must be acknowledged that with authenticated private deed dated 24.3.2014, registered in Taranto on 27.3.2014 at no. 3985, Il Lattoniere S.r.l. and the company "Puglia Inox S.r.l.", with registered office in Grottaglie (TA) at c.da Crisete n. 9, have entered into a network contract pursuant to and for the purposes of articles 4b et seq. D.L. 10.2.2009, n. 5, converted into Law 09.4.2009, n. 33 (as amended and supplemented by Law 23.7.2009, n. 99 and by Law 30.7.2010, n. 122), expiring on 31.12.2020, concerning the common exercise of the following activities:

- » activities for the provision of instrumental services to the respective companies, sharing personnel management for the development of common activities;
- » coordination of methods of accessing new markets, promotion and integration of its offers in ways that favor the presentation of new commercial opportunities or the stabilization of existing relationships;
- » stable collaboration in personnel management, binding the entire (or part of the) production chain to comply with certain production standards.

So that, if necessary, some Puglia Inox employees can be seconded to Il Lattoniere S.r.l. and vice versa, with the issue of an invoice by the seconding company concerning the specific secondment and with related communication to the employee concerned.

As for the corporate structure of Il Lattoniere S.r.l. please refer to the "Organization chart of workers and job descriptions - division of competences / hierarchical structure" updated at the date of preparation of this Model.

2.3. The Mission of the Company - Objectives and purposes of the Model

Il Lattoniere S.r.l., operating under the "Puglia Inox" brand, has been present for over twenty years both on the national and international market in the stainless steel sector, through two different "business units":

- » furniture;
- » large plants.

To them, in recent times, the new lines "Pescheria", "Food", "Harmon" and "Murali" have been added.

Today, in fact, the Puglia Inox brand is a reference point in Italy and abroad for the production of accessories, furnishings and systems made of AISI 304/316 stainless steel with a Made in Italy guarantee, merging the artisan activity with technology. Born in the field of stainless steel welding for various product applications, especially concerning pipes and the construction of hoods for extraction systems, the company activity has evolved, specializing in the processing of steel for the realization of steel furnishings AISI 304/316 stainless steel for bakery, pastry, catering, fishmonger and large-scale distribution, both at a standardized level and on request.

"Il Lattoniere" has always believed in the resources of its territory and has always made use of them and continues to make use of it, maintaining its management center in Puglia, as well as all the engineering and production

skills that characterize its know-how. With over 10,000 items and a supply chain that employs over 50 employees, the Company has been able to enhance its production capacity: also counting on an important network of agents, it maintains commercial relationships with more than 500 distributors and boasts a diversified customer portfolio of over 2 thousand subjects.

Il Lattoniere S.r.l. a code of values was given, intended as an expression of its corporate mission which can be summarized as follows:

1. offer the best of technological innovation, through the use of specialized human resources, CNC and laser machinery (which respond efficiently to requests for series production or individual special items), high-quality raw materials (such as AISI 304 and 316L stainless steel which allows to maintain solidity, brightness, high wear resistance, excellent non-stick characteristics over time);
2. privileging people over organizations, with awareness of the importance of each person and his individual talents;
3. understand and interpret customers' expectations and needs, trying to provide high performance products, subjected to capillary quality controls before delivery, in line with the expectations of their customers;
4. seek excellence, focusing on the continuous improvement of products, exploiting cutting-edge technologies and developing internal skills, operating with excellence throughout the entire business process, which is the responsibility of each individual within the organization;
5. demonstrate a strong sense of responsibility, fully realizing the objective of flexibility applied to the realization of small and large productions and refining the attitude to solve problems, so as to qualify one's way of operating in the market, satisfy diversified requests and guarantee precise, punctual and technologically advanced performances.

The ethical principles of Il Lattoniere S.r.l. are the basis of his reputation and must be known and shared by all his employees. They are summarized below:

- » act with integrity to gain and maintain trust and create good relationships;
- » have respect, because what you do in the company has important consequences on the lives of many people;
- » always be transparent, honest, sincere and capable of justifying your actions and decisions.

Il Lattoniere S.r.l. intends to implement these principles through:

- » defining customer and market needs;
- » definition of product quality standards;
- » measuring the deviations of customer expectations;
- » the empowerment of people who supervise, perform and verify activities that influence quality;
- » the participation of all people in continuous improvement;
- » the achievement and maintenance of the quality level established at the minimum cost;
- » employee motivation;
- » the reduction of defects found in the processes;
- » the maintenance of a high level of skills;
- » carrying out internal assessments to verify the adequacy, efficacy and efficiency of product quality and manufacturing processes.

To better guarantee the principles and objectives of its mission, the Company has deemed it necessary to comply with the provisions contained in Legislative Decree 231/2001 in order to prevent the commission of particular types of crimes.

The Company believes that a fair and transparent use of the procedures codified in this Organizational Model can contribute to better management of the Company, ensuring the absolute legality of the business conduct and the protection of its image.

The prepared Model is characterized by a system of organizational procedures - and control activities - aimed at:

- a. identify the sensitive areas / processes in the business, with particular regard to those that may involve a risk of crime pursuant to the Decree;
- b. identify formalized financial resources management and control processes in activities potentially at risk of crime;

c. assign a specific Supervisory Body to verify and supervise the effectiveness and correct functioning of the Organization and management model, as well as periodic updating;

d. define an internal company organization for the formation and implementation of the Company's decisions, in relation to the risks / offenses to be prevented, through:

- » a Code of Ethics aimed at crystallizing the principles which the Company is inspired by;
- » a system of procedures formalized in specific protocols aimed at regulating in detail the methods for making and implementing decisions in the sectors where there is the possible realization of the risk of crime;
- » a system of corporate powers of attorney and powers of attorney aimed at ensuring a transparent representation of the process of formation and implementation of decisions, where possible and feasible;
- » a set of compliant and suitable organizational structures to check the correctness of behavior, a regular and structured assignment of tasks and an appropriate separation of functions, thus ensuring a real implementation of the structures desired by the organizational structure;
- » a training activity aimed at spreading the knowledge of the legislation referred to in Legislative Decree 231/2001 and, consequently, a culture of "corporate legality", diversified in contents and implementation methods, according to the qualification of the recipients and the level of risk of the area in which they operate.

The Company has adopted an organization model in order to:

- » prevent and / or limit the risks associated with company activity through the prevention of any illegal conduct;
- » determine, in all those who work in the name and on behalf of the Company, full awareness of the possible commission of a crime - and of the consequent penalties for the Company - in the event of violation of the protocols formalized in the Model;
- » identify the suitable rules to prevent unlawful conduct contrary to corporate interests (even when, apparently, the Company could benefit from it), since in contrast with the Company's ethical and social principles and with the current provisions of the law;
- » reaffirm the condemnation of any illegal behavior or, in any case, contrary to the ethical-social principles which the Company is inspired by;
- » allow the Company - thanks to constant monitoring of sensitive processes - to intervene promptly to counteract any practice that may facilitate the commission of crimes.

2.4. Phases of the preparation and structure of the Model

The preparation of the Company's organization model was characterized by the following phases:

1. identification of the activities in which crimes can be committed, carried out through the preliminary examination of the company documentation (deed of incorporation, chamber certificate, financial statements, minutes of the meeting, already existing procedures, corporate DVR, etc.);
2. questionnaires to subjects operating within the business structure (Administrator and managers of specific business processes), aimed at identifying sensitive activities and related control mechanisms;
3. mapping of company areas and selection of those potentially at risk - so-called. risk assessment - and related suggestions / observations;
4. drafting of specific protocols aimed at planning the formation and implementation of the Company's decisions in relation to the offenses to be prevented;
5. implementation of an information and communication system aimed at all staff;
6. preparation of a sanctioning system for the violation of the rules of the Code of Ethics and the procedures provided for by the Model;
7. establishment of a Supervisory Body that has characteristics of autonomy, independence, professionalism, integrity and continuity of action;
8. provision of information obligations towards the Supervisory Body (so-called information flows);
9. adoption of a Code of Ethics, drawn up on the basis of the provisions of Legislative Decree 231/2001;
10. establishment of one or more channels that allow the subjects indicated in Article 5, paragraph 1, letters a) and b) of Legislative Decree 231/2001, to present, for the protection of the Entity's integrity, detailed repor-

ts of illegal conduct, relevant pursuant to the same Decree and based on precise and concordant factual elements, or of violations of the Organization and Management Model of the entity, which they became aware of due to the functions performed, guaranteeing the confidentiality of the identity of the reporting person in the report management activities (ANNEX REPORTING FORM, see also chapter 3, paragraph 3.6 Reporting to the Supervisory Body below: general information and specific mandatory information).

From a strictly structural point of view, the Organization, Management and Control Model is made up of:

- » of a **general Part**, illustrating the principles and purposes to which the Model is addressed;
- » more **Special parts (SPECIAL PART A** - crimes against the Public Administration; **SPECIAL PART B** - crimes against public faith; **SPECIAL PART C** - corporate crimes (including the crime of corruption between private individuals); **SPECIAL PART D** - murder crimes culpable or serious or very serious injuries committed in violation of the rules on the protection of health and safety at work; **SPECIAL PART E** - receiving, laundering and use of money, goods or benefits of illegal origin, self-laundering; **SPECIAL PART F** - computer crimes and illegal treatment of data; **SPECIAL PART G** - crimes against industry and commerce; **SPECIAL PART H** - crimes relating to infringement of copyright; **SPECIAL PART I** - environmental crimes; **SPECIAL PART J** - crimes with the purpose of terrorism or subversion of the democratic order), **SPECIAL PART K** - employment of third-country nationals whose stay is illegal;
- » of the **Code of Ethics**.

2.5 Sensitive activities of the Company

Following the analysis of the company structure, aimed at identifying the relevant risk areas, pursuant to Legislative Decree 231/2001, it emerged that the sensitive activities of the Company concern:

- » **crimes against the Public Administration;**
- » **crimes against public faith (with particular attention to crimes of counterfeiting, alteration or use of trademarks or distinctive signs or patents, models and designs; introduction into the State and trade in products with false signs);**
- » **corporate crimes (including the crime of corruption between private individuals);**
- » **crimes of manslaughter or serious or very serious injuries committed in violation of the rules on the protection of health and safety at work;**
- » **offenses of receiving stolen goods, money laundering and use of money, goods or benefits of illegal origin, self-laundering;**
- » **computer crimes and unlawful data processing;**
- » **crimes against industry and commerce;**
- » **offenses relating to copyright infringement;**
- » **environmental crimes;**
- » **crimes for terrorism or subversion of the democratic order;**
- » **the employment of third-country nationals whose stay is irregular.**

The analysis carried out has excluded or identified as not significant the magnitude of risk for certain predicate offenses whose conduct and the protected legal assets do not directly interfere with the purposes of the Organization and of the corporate activities, so that their assessment for the purposes of this Model it appeared appropriate with regard to the indirect protection of legal assets and the prevention of prohibited conduct through the imposition of compliance with the principles and values of the Company's Code of Ethics, as well as the complex system of procedures structured for other predicate offenses. In particular, these are the following crimes:

- » organized crime offenses (art.24 ter);
- » crimes of mutilation of female genital organs (art.25 quater1);
- » crimes against the individual personality (art. 25 quinquies);
- » market abuse (art.25 sexies);
- » inducement not to make statements or to make false statements to the judicial authority (art. 25 decies);
- » created by racism and xenophobia (art.25-terdecies).

In any case, the corporate bodies have the power to identify any further risk activities which - depending on the legislative evolution or the Company's activity - may be included in the list of Sensitive Activities.

2.6. Adoption and dissemination of the Model

The adoption of the Model and the Code of Ethics is implemented through a complex procedure, which is divided into a series of subsequent activities:

1. preparation of the Model and the Code of Ethics;
2. approval of the Model and the Code of Ethics and approval of subsequent updates of the Model and the Code of Ethics;
3. appointment of a Supervisory Body with autonomous initiative and control powers, by resolution of the Shareholders' Meeting;
4. following the acknowledgment of the Model and the Code of Ethics, formalization by the SB of its commitment to compliance with these documents.
5. The subsequent updates of the Model, however, will be handled by the Company, first with the help of external consultants and, subsequently, with the systematic activity of the Supervisory Body concerning the proposal of any updates.
6. It should also be remembered that by representing the Model an "act of enactment of the management body" - in compliance with the provisions of art. 6, first paragraph, letter a), Legislative Decree 231/2001 - subsequent 'substantial' amendments and additions will be left to the competence of the Corporate Bodies.

• Dissemination of the Model

The organizational Model, in its General Part and in its Special Parts, as well as the Code of Ethics, will be disseminated within and outside the Company:

- » by delivery of a copy by e-mail to each person who holds functions of representation, administration or management or an organizational unit with financial and functional autonomy;
- » by delivering a copy by email of the Code of Ethics and one of the Model to those who are subject to the direction or supervision of one of the subjects referred to in the previous point;
- » making available a hard copy at the registered office (please note that there are no local units);
- » publication of the General Part and the Code of Ethics on the Company website.

4 Devono considerarsi 'sostanziali' quelle modifiche e integrazioni che si rendono necessarie a seguito dell'evoluzione della normativa di riferimento o che implicano un cambiamento nelle regole e nei principi comportamentali contenuti nel Modello e nel Codice Etico, ovvero nei poteri e doveri dell'Organismo di Vigilanza e nel sistema sanzionatorio.

CHAPTER 3

THE SUPERVISORY BODY

3.1 Nature of the Supervisory Body

Articles 6 and 7 of Legislative Decree 231/01 govern the conditions of exemption from liability for the Entity, in the event of the commission of the offenses indicated in the Decree: particular importance, for this purpose, assumes the institution of a Body of Supervision (hereinafter also referred to as SB) with autonomous powers of initiative and control and with supervisory, application and updating tasks of the Model.

It is appropriate to specify, as established in the Report to Legislative Decree 231/2001, that the SB must be internal to the Company but distinct from the other Corporate Bodies, since this Body has the task of carrying out activities which, if on the one hand they presuppose a knowledge of the company dynamics and the corporate structure, however they require a third party position with respect to the Company.

In the case of Il Lattoniere S.r.l., the Supervisory Body is monochrome and formed by a professional completely external to the Company.

This condition appears necessary as the corporate bodies must also be recipients of the control and supervision activity entrusted to the SB.

Furthermore, it should be emphasized that the Supervisory Body must be endowed with continuity and stability of action, in compliance with the Guidelines issued by Confindustria, and must guarantee adequate experience in the field of company controls, making it clear, in this regard, that this Body must not be assigned tasks and / or corporate roles that limit its objectivity of judgment and impartiality.

It should be noted, lastly, that the SB is responsible towards the Body in the event of violation of the duty of secrecy.

3.2 Requirements of the Supervisory Body

The Supervisory Body must have the following requirements:

Autonomy and independence: in the performance of its functions, the SB must ensure autonomy in the initiatives, especially in the controls, and must not undergo any form of conditioning by any member of the Company (in particular by the management body); in fact, as specified by the Confindustria Guidelines, the position of the Body *"must guarantee the autonomy of the control initiative from any form of interference and / or conditioning by any member of the Body"*.

For these reasons, the SB will have a final duty only towards the top management, which within Il Lattoniere S.r.l. is identified in the Sole Director and in the Shareholders' Meeting.

In addition, in order to guarantee the necessary autonomy of initiative and independence, *"it is essential that the SB not be assigned operational tasks which, making it a participant in decisions and operating activities, would undermine its objectivity of judgment at the time of the checks on the behavior and on the Model"*.

In this regard, it should be noted that the checks by the SB represent a particularly significant activity and, therefore, it is necessary for them to be substantiated in periodic and repeated checks; in addition, the SB should have an adequate annual spending budget to guarantee the performance of its activities.

The SB carries out an annual report on the activities carried out.

In order for independence and autonomy requirements to be guaranteed, both at the time of appointment and for the duration of the office, the SB must not:

1. hold executive positions within the Body;

2. perform operational or business functions within the Body;
3. have significant business relationships with the Entity, or with subsidiaries or associates, nor have significant business relationships with the Management Body;
4. having relationships or being part of the administrative body's family unit, considering in this regard the family unit made up of the spouse not legally separated, relatives and related within the fourth degree;
5. to own stakes or shares in the Company's capital;
6. to maintain the integrity requirements indicated below.

The members of the Supervisory Body must sign, at the time of appointment and subsequently annually, a declaration certifying the compatibility of this office with the independence requirements; in addition, if new causes of incompatibility arise, they are required to notify them immediately to the Administrative Body and to the Shareholders' Meeting.

Finally, the SB must not be in conflicts of interest, even indirect, in relation to the activities of the Body.

Professionalism: in order for the SB to effectively carry out the activity assigned to it, it must be equipped with skills to ensure effective inspection activities; it must also be equipped with specific technical-legal knowledge relating to the entire matter governed by Legislative Decree 231/2001.

Honorability: in order for the work and judgments of the SB to be considered authoritative and impartial, it is necessary to provide for the appointment of subjects without criminal records and who have not been declared bankrupt.

Continuity of action: the Supervisory Body - in compliance with its own Regulations, which must be promptly formalized and which will become an integral part of the Model - must schedule the activities to be carried out, record the meetings and regulate the information flows of the corporate structures within its comparisons, periodically carry out inspections, as well as informing top management with particular frequency.

In this regard, upon the formal adoption of the Model, preferably by means of a specific document called "Statute of the Supervisory and Control Body", the Executive Body must:

- » identify and codify the main aspects relating to the functioning of the SB (e.g. appointment and revocation procedures, term of office, etc.) and the subjective requirements of its members;
- » to make known to the Company the tasks of the Body and its powers, identifying appropriate sanctions in case of non-collaboration

3.3 Functions and powers of the Supervisory Body

The SB must fulfill the following tasks:

- » supervise its recipients' compliance with the provisions of the Model;
- » supervise the adequacy of the Model - understood in terms of its effectiveness - in order to prevent the commission of offenses;
- » supervise the need for revision and adjustment of the Model following any significant changes in the corporate organization and in the activity of the Body;
- » monitor company activity for the purpose of updated mapping of risk areas;
- » coordinate with the Administrative Body to better monitor activities in risk areas; to this end, the SB is periodically updated on the activities carried out in the areas at risk and has access to all company documentation; the management, in turn, has the obligation to report to the SB any situations that could actually expose the Body to the risk of offenses;
- » oversee the implementation of the Model also through the collaboration of the various corporate functions, checking, among other things, the system of delegations and powers in force, putting in place all the changes necessary for a full correspondence between the powers assigned to the individual special functions and proxies / powers of attorney;
- » periodically check the validity of the standard clauses aimed at implementing the sanction mechanisms (such as the withdrawal from the contract with regard to partners, consultants, suppliers or third parties), if violations of the requirements occur;
- » promptly report any critical issues relating to the existence of any atypical financial flows characterized by greater margins of discretion compared to what is ordinarily expected, proposing the appropriate operational solutions.

3.4 Appointment, term of office, revocation and forfeiture of the SB

The Supervisory Body is appointed by resolution of the Shareholders' Meeting.

The incompatibilities referred to in point 3.2 above, as well as the incapacity and death, represent hypotheses of automatic revocation of the SB.

The SB can be revoked in the event of:

- » violation of confidentiality obligations;
- » sentence of condemnation (or plea bargaining) of the Entity pursuant to Legislative Decree 231/2001, which has become final, where the omitted or insufficient supervision by the SB in accordance with the provisions of art. 6, first paragraph, lett. d) of the Decree;
- » serious negligence in the performance of their duties.
- » In case of forfeiture or revocation of the SB, the Administrative Body convenes the Shareholders' Meeting of the Body for the appointment of a new Supervisory Body or, in the case of a collegial body, of one or more of the components that have been found in the conditions listed above and for the related conferment of the powers provided for by Legislative Decree no. 231/2001.

• Term of office

The fallen Body retains its functions until the new Supervisory Body is installed unless it resigns.

Where modified in collegiate composition, the components of the Od.V. they may lapse from office if there are unjustified absences more than three consecutive times to the meetings of the Body.

The forfeiture is pronounced by the Shareholders' Meeting.

Also, where modified in the collective composition, if a member of the Supervisory Body intends to renounce the assignment, he must promptly and reasonably communicate it to the Administrative Body which will replace it by calling the Shareholders' Meeting.

• Dissolution of the Supervisory Body

If the Supervisory Body intends to renounce the assignment, it must promptly and promptly notify the Administrative Body which will replace it by calling the Shareholders' Meeting.

If changed collegially, in the event of the resignation of a member of the Supervisory Body, the aforementioned Body will continue to operate until the appointment of the new member, without affecting its activity and functioning.

The Administrative Body will convene the Shareholders' Meeting which will appoint the new member.

The Supervisory Body, in collegial composition, is automatically dissolved if two of the three members named or its majority fail.

The Administrative Body will convene the Shareholders' Meeting which will renew the Supervisory Body.

3.5 Reporting by the Supervisory Body towards the Corporate Bodies

In order to ensure correct compliance with the Model, the Supervisory Body must carry out constant reporting activities vis-à-vis the corporate bodies.

In particular, this Body must periodically confront itself, continuously and constantly, with the Administrative Body on the state of implementation of the Model.

By virtue of the requirements of independence and autonomy, the Supervisory Body can be convened at any time by the Corporate Bodies and may, in turn, submit a request to that effect to report on the functioning of the Model.

The reporting activity must concern:

- » activities generally carried out by the SB;
- » any problems or criticalities highlighted during the supervisory activity;

- » the report of the reports received from internal and external subjects regarding alleged violations of the Model, as well as the outcome of the checks (so-called audit) on said reports;
- » the corrective, necessary or possible, to be made in order to ensure the adequacy and effectiveness of the Model and its protocols;
- » the assessment of behavior not in line with the Model;
- » the detection of organizational or procedural deficiencies such as to expose the Company to the danger that crimes relevant for the purposes of the Decree are committed;
- » the possible absence of collaboration by the corporate functions in carrying out their verification and / or investigation tasks;
- » in any case, any information from time to time deemed useful for the proper fulfillment of the tasks of the SB and / or the taking of decisions by the corporate bodies.

The meetings must be minuted and copies of the minutes must be kept in a special archive prepared for the documentation relating to the activity of the Supervisory Body, which can be held directly by one of the members of the Supervisory Body itself.

In addition, the SB, in carrying out its functions:

- » can contact, report or in any case communicate to the Shareholders' Meeting in all cases in which it deems it appropriate or necessary an involvement or a timely intervention by the Administrative Body;
- » can participate, if invited, in the meetings of the Shareholders at the Shareholders' Meeting and report on its activities.

3.6 Reporting to the Supervisory Body: general information and specific mandatory information

It is also mandatory to transmit the following information to the SB:

1. measures and / or news from the judicial authorities, judicial police bodies or any other authority, which have as their object the conduct of investigations into the offenses covered by the Decree;
2. assignment of a legal assistance assignment by the Administrative Body in the event of the initiation of a judicial proceeding for the offenses envisaged by the Decree;
3. reports drawn up by the Administrative Body from which critical situations (events, facts, acts, omissions) can be inferred regarding compliance with the provisions of the Decree;
4. changes in the organizational structures of the Company;
5. information relating to the effective implementation of the organizational Model, paying particular attention to the disciplinary procedures activated and the sanctions imposed.

Any company function becomes aware of information that may lead to the commission, within the Company, of the offenses referred to in Legislative Decree 231/2001 or, in any case, being aware of conduct not in line with the principles and the provisions contained in this Model and in the Code of Ethics, have the obligation to present, to protect the integrity of the Entity, through one or more channels (one of which is an IT attached to this Model under the "Reporting form") reserved for individuals indicated in Article 5, paragraph 1, letters a) and b) of the Decree, detailed reports of illegal conduct, relevant pursuant to the same Decree and based on precise and concordant factual elements, or violations of the Model, of which they have come to knowledge by reason of the functions performed; these channels guarantee the confidentiality of the identity of the reporting person in the reporting management activities (standard introduced in art. 6, paragraph 2bis, Legislative Decree 231/2001). So that the SB, in compliance with legal precautions, will listen separately to the author of the report and the person responsible for the alleged violation and will inform the Administrative Body, or will proceed in accordance with the rules introduced by Law no. 197/2017 and subsequent mm. and ii. on *whistleblowing*.

For this reason, all reports will be sent to the Supervisory Body by email or in paper format, by simple mail, at the work address and / or professional office of the SB in order to guarantee the protection and confidentiality of the identity of the reporting party.

The Supervisory Body will first carry out all the assessments and controls deemed necessary and, if the report is deemed founded, it will contact the competent Authorities.

3.7 Collection and storage of information

News, data, information, reports, reports provided in the Model are kept by the Supervisory Body in a special electronic and / or paper archive / database. The data and information stored in the database are made available to subjects external to the Supervisory Body, subject to authorization by the Body itself, according to predefined procedures.

3.8 Formation of the SB

The SB undertakes to carry out periodic training updates.

3.9 Identification of the SB

All of the above considered and in compliance with the provisions of Legislative Decree 231/2001, the Shareholders' Meeting - also in consideration of the recent establishment and the current structure of the Company - deemed it appropriate, for the three-year period 2019/2022, the use of a monochrome body made up, as mentioned, by a professional external to the Company.

CHAPTER 4

INFORMATION, INFORMATION AND DISSEMINATION OF THE ORGANIZATIONAL MODEL

4.1 Recipients of the Organizational Model

The recipients of the Organizational Model and the Code of Ethics are the Sole Director, the Shareholders' Meeting, the Supervisory Body, employees, collaborators, consultants and the main commercial partners of the Company.

4.2 Staff selection, training and information

The target of the Company is to ensure adequate dissemination of the Model and ensure that all Company employees have correct knowledge of it, both as regards the inspiring principles and as regards the operating protocols.

The training activity is carried out with a different degree of depth in relation to the different level of collaboration of company resources in Sensitive Activities.

• Communication to employees

The adoption and updating of the Organizational Model is communicated to employees following the approval of the shareholders' resolution.

The new hires are given a copy of the Organization, management and control model, a copy of the Code of Ethics with which the Company has adopted to guarantee them the fundamental notions regarding the legislation on the administrative liability of the Entities.

The Company will require these subjects to sign a declaration certifying the receipt of this documentation, as well as the commitment to comply with the rules and procedures indicated therein.

• Training

The training activity regarding the regulations pursuant to Legislative Decree 231/2001 is structured to comply with the position held by each employee, the level of risk of the area in which the employee operates, as well as the representative functions covered by the inside the Company.

Recipients of the training activity are:

1. the Administrative Body;
2. employees;
3. managers (although currently not part of the staff);
4. those who are recipients of special powers of attorney (or who will be) or specific proxies.

The training programs are characterized by a common part for all corporate functions, consisting of a concise illustration of the principles of Legislative Decree 231/01, an explanation of the constituent elements of the Organization, management and control model - as well as the individual cases of offense envisaged by the Decree and conduct considered sensitive with reference to the integration of the offenses envisaged by the reference legislation - and by the explanation of the Code of Ethics.

Participation in training programs is mandatory and control over actual attendance is entrusted to the SB.

Unjustified non-participation in training programs will result in the imposition of a disciplinary sanction according to the rules indicated in this Model (see chapter 5 below).

4.3 Selection and information of external collaborators and commercial partners

The consultants and the main commercial partners who work with the Company will be selected through specific and suitable evaluation systems.

All external parties who wish to enter into contracts with the Company will be informed in advance on the company policies and procedures adopted by the Company following the adoption of this Organizational Model, as well as on the texts of the contractual clauses identified and habitually used in this regard.

The Company also undertakes to add, in each contract concluded after the official date of adoption of the Model, a clause according to which external consultants, suppliers and partners will take note of the same and of the Code of Ethics.

The external collaborator, the supplier or the partner identified will receive a copy of this Model and / or the specific procedure relating to the activity, collaboration and / or consultancy provided for in the contract with the same; at the same time, it will be required to sign a specific receipt with which it accepts what is provided for and undertakes to respect the principles of organization and management included in the Code of Ethics.

4.4 Supervisory obligations and periodic checks

Each corporate function responsible for a specific sector has the obligation to exercise supervisory activities, paying the utmost attention and diligence, towards all employees towards whom it is in a direct and indirect hierarchical superiority relationship; these subjects must also report to the Supervisory Body any irregularity, violation or breach of the principles established in this Model.

If the manager, or the manager of each corporate function, does not comply with these obligations, he will be sanctioned in accordance with his hierarchical position within the Company, in accordance with the provisions of this Model (see next chapter 5).

The SB is also responsible for checking the quality of the contents of the training programs, as well as the task of carrying out two additional types of checks:

- » on the main corporate deeds and on the most important contracts concluded by the Company;
- » as a result of any reports received, on events considered risky and on the awareness of staff regarding the problem of corporate criminal liability.

CHAPTER 5

DISCIPLINARY AND PENALTY SYSTEM

5.1 General principles

In order to give effect to the Organizational Model and therefore ensure its concrete application, it is necessary to provide for an adequate disciplinary and sanctioning system (hereinafter also the "Disciplinary System") aimed at preventing and sanctioning, in contractual terms, the violation of the provisions of the Model, which therefore contemplates, in the event of non-compliance with the provisions contained in the Model itself, effective sanctions proportionate to the seriousness of the violation committed and, at the same time, regulates the imposition procedure.

The principles on which the Disciplinary System is based are:

1. **Legality:** art. 6, co. 2, lett. e), Legislative Decree 231/2001 requires that the Model must introduce a disciplinary system suitable for sanctioning failure to comply with the measures indicated in the Model itself; it is therefore the burden of the Organization:

- i) prepare in advance a set of Rules of Conduct, intended as procedures for implementing the Model;
- ii) sufficiently specify the disciplinary cases and the related sanctions;

2. **Complementarity:** the disciplinary system provided by the Model is complementary, and not alternative, to the disciplinary system established by the CCNL in force and applicable to the various categories of employees in force at the Organization (which, in the case of Il Lattoniere Srl, is the current CCNL metalworking sector);

3. **Advertising:** the Organization will give maximum and adequate knowledge of the Disciplinary System, normally through publication in a place accessible to all workers (art. 7, co. 1, Workers' Statute)⁵, as well as with delivery, to hands and via e-mail, to individual workers and availability on the company Intranet; in the case of Il Lattoniere S.r.l., this principle/obligation is satisfied by inserting the Disciplinary System in chapter 5 of this Model and through the forms of advertising typical of the Model itself;

4. **Contradictory:** the guarantee of the contradictory is satisfied, in addition to the prior publicity of the Model, with the prior written dispute in a specific, immediate and unchangeable way of the charges (art. 7, co. 2, Workers' Statute)⁶;

5. **Graduality:** the disciplinary sanctions have been elaborated and will be applied according to the gravity of the infringement, taking into account all the circumstances, objective and subjective aggravating and not aggravating, which characterized the contested conduct and the intensity of the damage to the protected corporate asset;

6. **Typical:** the disputed conduct must be expressly provided for and there must be correspondence between the contested charge and the charge underlying the disciplinary sanction;

7. **Timeliness:** the disciplinary procedure and the possible imposition of the sanction must take place within a reasonable and certain term from the opening of the procedure itself (art. 7, co. 8, Workers' Statute)⁷;

8. **Presumption of guilt:** the violation of a rule of conduct, a prohibition or a procedure provided for by the Model is presumed to be culpable and the seriousness will be assessed, case by case, by the SB (art. 6, co. 2, letter e), Legislative Decree 231/2001);

5 Art. 7. Sanzioni disciplinari: 1. Le norme disciplinari relative alle sanzioni, alle infrazioni in relazione alle quali ciascuna di esse può essere applicata ed alle procedure di contestazione delle stesse, devono essere portate a conoscenza dei lavoratori mediante affissione in luogo accessibile a tutti. Esse devono applicare quanto in materia è stabilito da accordi e contratti di lavoro ove esistano.

6 Art. 7. Sanzioni disciplinari: 2. Il datore di lavoro non può adottare alcun provvedimento disciplinare nei confronti del lavoratore senza avergli preventivamente contestato l'addebito e senza averlo sentito a sua difesa.

7 Art. 7. Sanzioni disciplinari: 8. Non può tenersi conto ad alcun effetto delle sanzioni disciplinari decorsi due anni dalla loro applicazione.

9. Effectiveness and sanctionability of the attempted violation: in order to make the Disciplinary System suitable and therefore effective, the sanctionability will also be assessed of the mere conduct that puts at risk the rules, prohibitions and procedures provided by the Model or even only of the acts preliminary agreements aimed at their violation (Article 6, paragraph 2, letter e), Legislative Decree 231/2001).

For the purposes of this Disciplinary System, and in compliance with the provisions of the collective bargaining agreement (where applicable), all conduct, whether commissive or omissive (including negligent), which are capable of affecting the effectiveness of the same as an instrument, constitute violations of the Model for the prevention of the risk of committing crimes relevant for the purposes of Legislative Decree 231/2001.

Therefore, the disciplinary or contractual liability is completely released from the possible pending (and a fortiori from the conclusion) of a criminal proceeding against the Entity for any of the crimes provided for by Legislative Decree 231/2001, given that the The imposition of the disciplinary or contractual sanction constitutes a completely independent procedure with respect to the criminal trial and is based on different assumptions.

In compliance with the constitutional principle of legality, as well as that of proportionality of the sanction, taking into account all the elements and/or the circumstances inherent to it, and as regards the activities related to the activities of the Organization, they assume relevance and constitute a sanctionable offense the following behaviors, listed purely by way of example, without prejudice to the provisions of the Special Parts of the Model:

- » failure to comply with the procedures set out in the Model aimed at identifying and / or eliminating the risk situations connected to any of the offenses referred to in Legislative Decree 231/2001;
- » omitted or incomplete documentation of the activity carried out, such as to prevent or in any case hinder the transparency and verifiability of the procedures adopted by the Body;
- » violation or circumvention of the internal control system;
- » failure to communicate the prescribed information to the Supervisory Body;
- » omitted control over the activity of the subjects subject to their supervision or coordination;
- » omitted information or false communication to the direct hierarchical superior regarding the anomalies found in carrying out his activity;
- » non-compliance with legal regulations or violation of obligations foreseen in carrying out work;
- » non-compliance with orders or prescriptions given by hierarchical superiors or deriving from the application of the procedures provided by the Model;
- » non-compliance with the rules contained in the Code of Ethics;
- » non-compliance with the provisions relating to the signature powers or the system of delegations indicated in the Model;
- » omitted information or failure to update staff on the procedures described in the Model.

The Directors making up the Company's Administrative Body, managers, employees (middle managers and white collars), consultants, collaborators and third parties in general who have contractual relations with the Company are subject to the application of this Disciplinary System.

The procedure for the imposition of the sanctions referred to in this Disciplinary System takes into account the particularities deriving from the legal status of the subject against whom we proceed. In any case, the SB must be involved in the disciplinary procedure.

The evaluation of infringements of the Model is the responsibility of the SB which must promptly notify the top management of the type and extent of the violations assessed. Disciplinary proceedings and the imposition of sanctions are attributed to the competence of the Administrative Body.

5.2 Disciplinary sanctions

These are the sanctions imposed on employees of the Authority.

The regulatory framework in which the matter is inscribed is outlined by art. 7 of the L. n. 300/1970 (so-called Workers' Statute), as well as by collective, national and territorial collective agreements. The Disciplinary System does not replace the sanctions provided for by the respective national collective agreements but intends to stig-

matize and sanction only the violations of company operating procedures and the unfaithful conduct towards the Company put in place by employees or by persons who hold top positions. This is why it is useful to make a brief reference to the provisions dictated in *subiecta materia* by the Workers' Statute.

In this regard, it should be noted, first of all, that pursuant to art. 7 Stat. Lav., *"The employer cannot adopt any disciplinary measure against the worker without having previously contested the charge and without having heard him in his defense"* (second paragraph), and that *"the most serious disciplinary measures of the verbal reprimand they can be applied before five days have elapsed from the written complaint of the fact that gave you cause"*(fifth paragraph).

Furthermore, the law states that *"without prejudice to the right to appeal to the judicial authority, the worker to whom a disciplinary sanction has been applied can promote, in the following twenty days, also through the association to which he is registered or confers mandate, the establishment, through the provincial office of employment and maximum employment, of a college of conciliation and arbitration, composed of a representative of each of the parties and a third member chosen by mutual agreement or, in the absence of agreement, appointed by the director of the employment office. The disciplinary sanction remains suspended until it is pronounced by the college"* (art. 7, sixth paragraph, Work Stat.); all this, with the clarification that if the employer fails to appoint - within ten days of the invitation addressed to him by the territorially competent Provincial Labor Directorate - his own representative within the college of conciliation and arbitration, the disciplinary sanction loses effect. On the contrary, if the employer appeals to the judicial authority, the execution of the disciplinary sanction remains suspended until the judgment is defined (art. 7, seventh paragraph, Work Stat.).

Finally, the standard specifies that after two years from their application, the disciplinary sanctions imposed can not be taken into account for any effect (art. 7, eighth paragraph, Work Stat.).

This Model adopts a Disciplinary System which, as mentioned above, supplements the penalties provided for by the CCNL applied, providing for sanctioning the cases that constitute infringements of the Organizational Model - from the most serious to the slightest - through a gradual system of the sanction that respects the principle of proportionality between the detected deficiency and the sanction imposed.

The following provisions, due to their disciplinary value, are binding for all employees; therefore the same, as supplementary to the disciplinary rules brought by the CCNL, like the latter must be brought to the attention of all employees and posted at each location of the Body in a visible position by all employees.

5.2.1 The penalties applicable to employees

The penalties applicable to the employees of Il Lattoniere Srl, in the event of ascertained violation of the rules and principles contained in the organizational Model and in the Code of Ethics, are among those provided for in the "National Collective Bargaining Agreement for the metalworking sector for male and female workers. private metalworking industry and plant installation "(hereinafter also the CCNL), in compliance with the procedures set out in art. 7 of the law 30 May 1970, n. 300 (Workers' Statute) and any applicable special rules, in the terms provided for in Section Four - Discipline of the individual employment relationship, Title Seventh, "Relations in the company" and, in particular, art. 8, "Disciplinary provisions", and following, of the aforementioned CCNL.

The sanctions are adopted in compliance with the principle of graduality and proportionality, in relation to the seriousness of the absence and the subjective element of the fault or willful misconduct of the agent, as well as to the potential or concrete damage caused to the Agency by the agent.

Pursuant to the provision of the aforementioned art. 8 and following CCNL, the related disciplinary code is integrated in the following terms with reference to potential violations of the rules and principles contained in the organizational Model and in the Code of Ethics, as well as in compliance with the general principles of graduality and proportionality of the sanctions, and therefore:

- » the seriousness of the violations carried out;
- » the functions of the worker and the intensity of the fiduciary bond underlying the employment relationship;
- » the predictability of the event;
- » the intentionality of the behavior or the degree of negligence, imprudence or inexperience of the worker;
- » of the overall behavior of the worker in the company, with particular regard to the existence or otherwise of previous disciplinary records for the employee, within the limits permitted by law;

all those other circumstances that characterize the concrete behavior of the worker.

Given the above:

- a) the worker who makes himself responsible for violation of the rules and principles contained in the Organiza-

tional Model and in the Code of Ethics, who does not cause damage to the Company, incurs verbal and written warning, fine or suspension. The warning will be applied for minor deficiencies; the fine and suspension from work for the most important ones;

b) the worker who makes himself responsible for a serious violation of the rules and principles contained in the Organizational Model and in the Code of Ethics, who determines (or is potentially able to determine) damage to the company incurs the dismissal measure for justified reason, or that determines or contributes to determine (or that is potentially capable of determining or contributing to determining) the adoption of the sanctions pursuant to Legislative Decree 231/2001 against the company. The sanction of dismissal for a justified reason will be adopted for failings which, although serious, are not such as to exclude in the abstract the temporary continuation of the employment relationship during the notice period; the sanction of dismissal for just cause will be adopted for the lack of such seriousness as to exclude the continuation, even temporary, of the employment relationship.

5.3 The penalties applicable to managers, where appointed

In the event of a breach or adoption of conduct that does not comply with the provisions of the Model by the Executives, although today not present in the corporate structure of Il Lattoniere Srl, the disciplinary measures that comply with the provisions of the National Collective Bargaining Agreement of reference and compatibly with the principles enshrined in the Civil Code, as well as any additional applicable special regulations.

Therefore, in the event that the violation of the Organizational Model would lead to the loss of the fiduciary relationship with the Company, the sanctions will be verified with reference to potential violations of the rules and principles contained in the same Model and in the Code of Ethics, in compliance with the general principles of graduality and proportionality of the sanctions, and therefore:

- » the seriousness of the violations carried out;
- » the functions of the worker and the intensity of the fiduciary bond underlying the employment relationship;
- » the predictability of the event;
- » the intentionality of the conduct or the degree of negligence, imprudence or inexperience of the manager;
- » the overall conduct of the manager in the company, with particular regard to the existence or otherwise of previous disciplinary records for the manager, within the limits permitted by law;

all those other circumstances that characterize the concrete behavior of the worker.

In particular, the following penalties will apply:

a) in the event of non-serious violation of one or more behavioral or procedural rules set out in the Model, the manager incurs a written reprimand for compliance with the Model, which constitutes a necessary condition for maintaining the fiduciary relationship with the Organization;

b) in the event of a serious violation of one or more provisions of the Model such as to constitute a significant breach, the manager incurs the dismissal provision with notice;

c) where the violation of one or more provisions of the Model is of such gravity as to irreparably damage the relationship of trust, not allowing the continuation, even provisional, of the employment relationship, the manager incurs the provision of dismissal without notice.

The relationship between those who hold a managerial role in the Organization is to be considered of a fiduciary nature. Therefore, it is believed that, in the latter cases, the only applicable sanction is the termination of the relationship. The imposition of the aforementioned sanction is justifiable whenever an executive engages in conduct in violation of the rules that make up the Model such as to irreparably compromise the existing relationship of trust.

5.4 The penalties applicable to the members of the Administrative Body

In the event of violations of the rules and procedures of the Code of Ethics and of the organizational Model by the Administrative Body, the SB informs the Shareholders' Meeting and, if appointed, the Board of Statutory Auditors, that they will adopt the most suitable measures among those envisaged by law such as, for example, the recall in writing, the provision of temporary suspension mechanisms and the revocation of any delegated powers.

In the event of a conviction, the forfeiture / revocation of the corporate position held may be ordered against the Administrative Body (this must in any case be referred to a resolution of the Shareholders' Meeting which may also not recognize its usefulness and necessity).

5.5 The penalties applicable to the Board of Statutory Auditors, if appointed

In the event of violations of the rules and procedures of the Code of Ethics and of the organizational Model by the Board of Statutory Auditors, although today not present in the corporate structure of Il Lattoniere Srl, immediate notification is given to the Supervisory Body which will inform the Assembly of Shareholders and the Administrative Body, in order to take the measures deemed appropriate.

In the event of a conviction, the forfeiture/revocation of the position held may be ordered against the Board of Statutory Auditors (this must in any case be referred to a resolution of the Shareholders' Meeting which may also not recognize its usefulness and necessity).

5.6 Contractual sanctions

If *Consultants, Commercial Partners or Suppliers* put in place conduct in contrast with the lines outlined in the Code of Ethics and in the organizational Model, or circumvent the provisions concerning their activity - with the consequent risk of committing any of the crimes indicated in the Decree - can be arranged, in accordance with the contractual clauses included in the assignment letters, in the partnership agreements or in the contracts, the termination of the contractual relationship or any other contractual sanction envisaged, without prejudice to the right to act for damages.

5.7 Sanctions against anyone who violates the protection of the reporting person or who makes fraudulent or grossly negligent reports that turn out to be unfounded

Anyone who violates the protection of the whistleblower or who makes fraudulent or grossly negligent reports that are found to be unfounded, as provided for in art.6, paragraph 2bis, incurs in the fine measures not less than Euro 1,000.00 (one thousand / 00 euros) Legislative Decree 231/2001.

5.8 The procedure for imposing sanctions

Disciplinary offenses are ascertained by the Supervisory Body, both on its own initiative and upon notification of the persons appointed to detect and communicate the hypotheses of violation of the Model.

Both disciplinary sanctions against employees, as well as sanctions against the Administrative Body, the Board of Statutory Auditors, external consultants, suppliers and commercial partners, are imposed by the Body following the opinion of the Supervisory Body.

The gravity of the infringement will be assessed on the basis of the following circumstances:

- » the times and concrete methods of carrying out the infringement;
- » the presence and intensity of the intentional element;
- » the extent of the damage or danger as a consequence of the infringement for the Organization and for all employees and stakeholders of the same Organization;
- » the predictability of the consequences;
- » the circumstances in which the infringement took place.

Relapse is an aggravating circumstance and involves the application of a more serious sanction.

With reference to the procedure for ascertaining violations, it is necessary to maintain the distinction, previously clarified, between the subjects linked to the Organization from an employment relationship and the other categories of subjects.

For the former, the disciplinary procedure can only be that already governed by the "Workers' Statute" (law no. 300/1970) and by the CCNL. To this end, also for violations of the Model rules, the powers already conferred within the limits of their respective powers are reserved; however, the necessary involvement of the SB in the procedure for ascertaining infringements and the subsequent imposition of sanctions in the event of violations of the rules that make up the adopted Model is in any case envisaged.

For other categories of subjects, linked to the Organization by a relationship other than subordination, the disciplinary procedure will be managed by the Administrative Body upon notification of the SB.

For violations committed by subjects linked to the Company by contractual obligations, the right of termination will be exercised according to the provisions of the existing contractual clauses.

In any case, the imposition of sanctions is communicated to the Supervisory Body.

The management of the personnel department and the Supervisory Body supervise the execution of the sanctions imposed.

CHAPTER 6

ADEQUACY OF THE MODEL AND PERIODIC CHECKS

6.1 Periodic checks of the Model

The Supervisory Body carries out supervisory activities in order to verify the effectiveness of the Model, i.e. its actual application by the recipients of the rules indicated therein, as well as the adequacy of the provisions contained therein with respect to the objective of preventing the commission of the offenses envisaged by Legislative Decree 231/2001.

In particular, the control activity carried out by the Supervisory Body is responsible for ensuring compliance of the Model with the provisions of the law in force and constant verification of the effectiveness of the provisions outlined by the same.

In its verification activity, the Supervisory Body may make use of the collaborators of the Body or external consultants, except for the subjects functionally dependent on the bodies subject to the control activity.

These activities are fully described in the "Control Register" adopted by the Supervisory Body, which contains the indication of the following elements:

- » the definition of the aspects relating to the continuity of action of the SB;
- » scheduling of activities;
- » the minutes of the meetings;
- » the determination of the timing of checks;
- » the identification of controls and analysis procedures.

The work plan is defined taking into account the risk of committing the offenses indicated in Legislative Decree 231/2001 and the outcome of previous checks.

In any case, extraordinary checks may be performed, even if not contemplated in the work plan, in the case of changes to the organization's organizational structure or specific reports.

The results of the control activity are recorded in the manner prescribed in the Model.

The Company undertakes to take every initiative aimed at modifying and updating the Model in the same way as the feedback from the control activity.

6.2 Update and adaptation of the Model

The Administrative Body may decide to update the Model, if this is necessary due to the outcome of regulatory changes or due to the found inadequacy of the same with respect to the achievement of the set objectives. The Sole Administrator always has the right to make additions or changes of a formal nature.

The Supervisory Body can propose the adoption of changes or additions by transmitting a reasoned opinion preliminary to the Administrative Body.

All changes or additions to the Model must also be communicated to external consultants, main commercial partners and suppliers, as far as they are concerned.

PUGLIA**INOX**
divisione arredamenti

MODELLO 231

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