

<u>15/12/2020</u>	ORGANISATION, MANAGEMENT AND CONTROL MODEL PURSUANT TO (IT.) LEGISLATIVE DECREE 231/01	
VERSION NO. 2		FRIUL INTAGLI INDUSTRIES SpA

**ORGANISATION, MANAGEMENT AND  
CONTROL MODEL PURSUANT TO (IT.)  
LEGISLATIVE DECREE 231/2001**



**FRIUL INTAGLI INDUSTRIES S.P.A.**

**REGISTERED OFFICE IN PRATA DI PORDENONE (PN), VIA ODERZO 68  
VAT NUMBER 01586110262**

REVISION HISTORY			
No	DATE	REASON	APPROVED BY THE BOD (THE LEGAL REPRESENTATIVE)
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All documents related to the Organisation, Management and Control Model pursuant to (It.) Legislative Decree 231/01 contain strictly confidential information owned by Friul Intagli Industries S.p.A.

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## GLOSSARY

“**Sensitive Activities**”: activities of the Company which, according to the risk assessment performed by the Company, have been judged to be at pertinent and relevant risk that one or more of the predicate offences leading to the entity’s liability pursuant to (It.) Legislative Decree 231/2001 will be committed.

“**NCBA**”: National Collective Bargaining Agreement for the Wood, Cork, Furniture, Furnishings Industries and Woods and Forests, and Labour Agreement for Executives of the Industry.

“**Code of Conduct**”: it is the Company’s main document which makes clear the ethical values that guide the conduct of all directors, executives and employees when managing the affairs of the company; it may also be extended to third parties with specific contractual clauses.

“**Decree**”: (It.) Legislative Decree of 8 June 2001, no. 231, as subsequently amended and supplemented, “Regulations governing the administrative liability of legal entities, companies and associations even devoid of legal status, in accordance with art. 11 of Law no. 300 of 29 September 2000”.

“**Internal Recipients**”: the Company’s directors, executives and employees.

“**External Recipients**”: the third parties (associates, consultants, suppliers in general) who participate in one or more sensitive activities and who are, therefore, the recipients of specific provisions of the Model, also by virtue of specific contractual clauses.

“**Person in charge of a public office**”: the person who, in any capacity, provides a public service, i.e. an activity governed by public law rules and regulations, characterised by the lack of decision-making powers (e.g. payment collectors of the National Electricity Company (ENEL), post office clerks tasked with sorting correspondence, employees of the Italian State Mint, etc.). The performance of simple administrative tasks or purely manual work does not constitute Public Service.

“**Model**”: the Organisation, management and control model envisaged by (It.) Legislative Decree 231/2001, adopted by the Company and described in this document.

“**Supervisory Body**” or “**SB**”: the Company’s body that has been “granted autonomous initiative and control powers” which has been entrusted with “the task of supervising the operation of and compliance with the models and ensuring that they are updated”, in accordance with the provisions of article 6 of (It.) Legislative Decree 231/01.

“**P.A.**”: any entity that looks after public interest and which performs legislative, judicial or administrative activities in accordance with public law rules and regulations and acts constituting the exercise of public authority, including the related officers in their capacity as public officials or persons charged with a public service; this wide definition also includes formally private companies arising from the transformation of former public entities, supranational organisations (e.g. World Bank, United Nations, International Monetary Fund, OCSE, European Union).

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“**Public Officials**”: the persons who perform a legislative, judicial or administrative public function.

“**Offences**”: the predicate offences giving rise to the entity’s liability envisaged by (It.) Legislative Decree 231/01 or in any way related thereto.

“**Company**”: Friul Intagli Industries S.p.A. with registered office in Prata di Pordenone (PN), via Oderzo 68  
postcode 33080, Frazione Villanova, VAT no. 01586110262, EAI number PN - 86339

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## SECTION ONE

### 1. INTRODUCTION

#### 1.1 THE COMPANY

Friul Intagli Industries S.p.A. is a world leader in the development and manufacture of furniture and components on behalf and in accordance with the specific needs of its customers, designing and enacting together with them the most efficient and efficacious production processes and guaranteeing the highest standards of quality and of respect for the environment and occupational safety. The achievement and maintenance of such standards is the object of the relevant certifications held by the company: ISO 9001 Quality Management Systems; OHSAS 18001 Occupational Health and Safety; FSC and PEFC Chain of Custody Management - Forest Management.

The Company performs its processes at the sites of Villanova (Prata di Pordenone - PN) and of Portobuffol  (TV) - where the various Units carry out the various phases of these processes - in a very close relationship with the customers, together with whom it shares both process and product standards (e.g. IKEA GO/NOGO) and ethical requirements (e.g. IKEA IWAY, SMETA or ICS - Code of Conduct in agreement with the customer).

In exercising its powers and in fulfilment of its responsibilities, the Company's Board of Directors, in order to improve its organisational and control system and to pursue the benefits laid down by (It.) Legislative Decree 231/2001, deemed it appropriate to autonomously put in place its own programme for compliance with the requirements of the decree, by adopting the Organisation, Management and Control Model with the resolution dated 04/09/2018, and by establishing and appointing a Supervisory Body - as described below - as an essential component of the Model.

This document describes the Organisation, Management and Control Model adopted by the Company. After describing the regulatory framework of reference, the document focuses on each main component of the Model, i.e.

- Sensitive Activities
- Control Protocols
- Means of Managing Financial Resources
- Disciplinary System
- Supervisory Body
- Information Flows and Reports to the SB
- Code of Conduct
- Process for Checking the Model's effectiveness
- Training and Information Process
- Formalised Organisational Structure
- Process for Updating and Improving the Model

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## 1.2 THE RECIPIENTS

The (Internal) Recipients of this Organisation, management and control Model pursuant to (It.) Legislative Decree 231/2001 of the Company, who undertake to comply with its contents, are as follows:

- the Company's directors and executives, as well as the persons who hold representation, administration, management or control positions or perform such activities de facto (so-called senior management);
- the Company's employees who are subject to the management or supervision of one of the persons mentioned above (so-called internal persons subject to the management of another).

Solely with regard to the performance of sensitive activities in which they may participate, through specific contractual clauses and/or by virtue of the Code of Conduct, the following other External persons may be Recipients of specific obligations, fundamental for the adequate performance of the internal control activities envisaged in this Model:

- the management and staff of the other companies of the group, even if they do not form part of the Company's staff, if and to the degree to which they participate in one or more sensitive activities of the latter on behalf or in the interest of the Company itself;
- the associates, consultants and, in general, self-employed workers to the degree to which they operate within the sensitive activity areas on behalf or in the interest of the Company;
- the suppliers, customers and other third parties who operate in an important and/or continuous way in the areas of so-called sensitive activities on behalf or in the interest of the Company.

It shall be the responsibility of the Internal recipients to inform the External subjects of the obligations imposed by this Model, to demand compliance therewith and to adopt suitable initiatives in case of non compliance.

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## 2. THE REGULATORY FRAMEWORK OF REFERENCE

### 2.1 THE ADMINISTRATIVE LIABILITY OF ENTITIES

(It.) Legislative Decree of 8 June 2001, no. 231, on the “Regulations governing the administrative liability of legal entities, companies and associations even devoid of legal status” (hereinafter also referred to as “(It.) Legislative Decree 231/2001”), which entered into force on 4 July 2001 in implementation of art. 11 of Enabling Act of 29 September 2000 no. 300, introduced in Italian legislation, in accordance with what is envisaged in the European Union, the administrative liability of entities, where the term “entities” means commercial joint-stock companies and partnerships, and associations, even devoid of legal status.

This form of liability, although defined as “administrative” by the legislator, has the characteristics of criminal liability, since the competent criminal judge is entrusted with investigating the offences which gave rise to such liability, and since the entity has the guarantees of criminal proceedings.

The administrative liability of the entity arises from the commission of offences, expressly indicated in (It.) Legislative Decree 231/2001, committed, in the interest or for the benefit of the entity, by natural persons who hold positions of representation, administration or management of the entity or of one of its financially and operationally autonomous units, or who perform, even de facto, its management and control (so-called “senior management”), or who are subject to the management and supervision of one of the aforementioned persons (so-called “subordinates”).

Other than the existence of the aforementioned requirements, (It.) Legislative Decree 231/2001 also requires the ascertainment of the entity’s guilt, in order to establish its liability. This requirement is attributable to an “organisational fault”, to be understood as the entity’s failure to adopt adequate preventive measures to prevent the commission of the offences of the following paragraph by the persons who are expressly identified by the decree.

If the entity is able to prove that it adopted and effectively implemented an organisation able to prevent the commission of such acts, by adopting the organisation, management and control model of (It.) Legislative Decree 231/2001, the company will not bear administrative liability.

#### 2.1. THE OFFENCES ENVISAGED BY THE DECREE

The offences, the commission of which gives rise to the entity’s administrative liability, are as expressly and mandatorily mentioned in (It.) Legislative Decree 231/2001, as subsequently amended and supplemented.

The offences currently envisaged by (It.) Legislative Decree 231/2001 and by special laws supplementing it are listed below; please note, however, that this list is subject to amendments over time:

- offences of fraud against the Public Administration (article 24 of the Decree);
- computer crimes and unlawful processing of data (article 24-bis of the Decree, introduced by (It.) Law of 18 March 2008, no. 48);
- organised crime offences (article 24-ter of the Decree, introduced by (It.) Law of 15 July 2009, no. 94, art. 2, paragraph 29, and indirectly amended as a result of the amendments to article 416-ter by (It.) Law 62/2014);
- bribery and corruption offences (article 25 of the Decree as last supplemented by (It.) Law no. 190 of 6 November 2012);
- offences of counterfeiting of money, cards of public credit and tax stamps (article 25-bis of the Decree, introduced by (It.) Decree Law of 25 September 2001, no. 350);
- offences against industry and trade (article 25-bis-1 of the Decree, introduced by (It.) Law of 23 July 2009, no. 99, art. 15);
- corporate offences (article 25-ter of the Decree, introduced by (It.) Legislative Decree of 11 April 2002, no. 61 and as last amended by (It.) Law 69/2015);
- offences for the purposes of terrorism or the subversion of the democratic order, envisaged by the (It.) Penal Code and special laws, and offences committed in violation of the provisions of article 2 of the International Convention for the Suppression of the Financing of Terrorism stipulated in New York on 9.12.1999 (article



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25-quater of the Decree, introduced by (It.) Law of 14 January 2003, no. 7);

- offences of female genital mutilation (article 25-quater.1 of the Decree, introduced by (It.) Law of 9 January 2006, no. 7);
- offences against the person (article 25-quinquies of the Decree, introduced by (It.) Law of 11 August 2003, no. 228, as amended by art. 10, paragraph 1, lett. b) of (It.) Law of 6 February 2006, no. 38, and, subsequently, by art. 3, paragraph 1 of (It.) Legislative Decree of 4 March 2014, no. 39, and, lastly, by art. 6, paragraph 1 of (It.) Law of 29 October 2016, no. 199);
- market abuse offences (article 25-sexies of the Decree and art. 187-quinquies of the TUF [Consolidated Law on Finance], introduced by (It.) Law of 18 April 2005, no. 62);
- offences of involuntary manslaughter and actual or grievous bodily harm due to violations of the safe working practice laws and Occupational Health and Safety regulations (article 25-septies of the Decree, introduced by (It.) Law of 3 August 2007, no. 123);
- offences of receiving stolen goods, money laundering and utilisation of money, goods or benefits of unlawful origin (article 25-octies of the Decree, introduced by (It.) Legislative Decree of 21 November 2007, no. 231, as last amended by (It.) Law 186/2014);
- offences of violation of copyright (article 25-novies of the Decree, introduced by (It.) Law of 23 July 2009, no. 99, art. 15 and by (It.) Law of 3 August 2009, no. 116, art. 4);
- offences of incitement not to testify or to bear false testimony before the Judicial Authorities (article 25-decies of the Decree, introduced by (It.) Law of 3 August 2009, no. 116, art. 4);
- offences against the environment (article 25-undecies of the Decree, introduced by (It.) Legislative Decree of 7 July 2011, no. 121, including the amendments and additions introduced by (It.) Law 68/2015);
- offence of employing third-country nationals whose residence is not regular (article 25-duodecies, introduced by (It.) Legislative Decree of 16 July 2012, no. 109), to which (through the amendment by article 30 of (It.) Law of 17 October 2017, no. 161) were added the offences of granting illegal access and that of promoting clandestine immigration;
- offence of propaganda, instigation and incitement of racism and xenophobia (article 25-terdecies, introduced by (It.) Law of 20 November 2017, no. 167 - so-called EU Law 2017);
- illegal influence peddling (article 25, introduced by (It.) Law of 9 January 2019, no. 3);
- Offences of fraud in sports competitions, illicit operation of betting activities and games of chance through forbidden equipment (Art. 25-quaterdecies, introduced by (It.) Law of 3 May 2019, no. 39);
- Tax offences (Art. 25-quinquiesdecies, introduced by (It.) Law of 19 December 2019, no. 157 which envisages the liability of the company for the offences of Art. 2, 3, 8, 10 and 11 of (It.) Legislative Decree no. 74 of 2000).

Lastly, the Decree's scope covers so-called transnational offences as per article 10 of (It.) Law no. 146/2006, as subsequently amended and supplemented.

## 2.2 THE SANCTIONS IMPOSED BY THE DECREE

The system of sanctions envisaged by (It.) Legislative Decree 231/2001 for the commission of the offences listed above foresees, depending on the offences committed, the application of the following administrative sanctions:

- financial sanctions;
- restrictive sanctions;
- confiscation;
- publication of the sentence.

Specifically, the restrictive sanctions that apply to some and not all offences to which the Decree makes reference consist in:

- disqualification from exercise of the activity;
- suspension or revocation of authorisations, licences or concessions that were fundamental for the commission of the offence;
- prohibition of entering into contracts with the Public Administration;
- exclusion from grants, loans, contributions or subsidies and/or the possible revocation of those already granted;
- prohibition to advertise goods or services.

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The restrictive sanctions are usually temporary, to be set for a time period of between three months and two years. Only in particularly serious cases may some sanctions be imposed definitively. They may also be imposed as a precautionary measure, on request of the Public Prosecutor, if there is serious evidence of the entity's liability and there are founded and specific elements to indicate that there is a concrete risk that offences of the same type as those already committed will be committed.

## 2.2. EXEMPTION FROM THE ENTITY'S LIABILITY

If one of the predicate offences is committed, the entity may be punished only if the criteria for the imputation of the offence to the entity are met. The first subjective condition is that the offence was committed by a person connected to the entity with a qualified relationship, i.e. management and/or staff as identified in paragraph 2.1. Pursuant to the Decree, the entity's liability may arise from both the conduct and omission of such persons.

The second objective condition required by the Decree is that the offence was committed in the interest or for the benefit of the entity, regardless of whether such benefit was actually achieved. Interest exists when the perpetrator of the offence acted with the intention of favouring the entity, regardless of whether such objective was really achieved. The benefit exists when the entity reaped, or could have reaped, a positive result - economic or of another nature - from the offence.

Conversely, the entity shall not be liable if the offence was committed independently or against its interest or in the exclusive interest of the perpetrator of the offence or that of third parties.

The existence, therefore, of the subjective requirement of the offence (namely that the perpetrator of the Predicate Offence is a member of senior management or a person subordinated thereto) and of the objective requirement (namely that the Predicate Offence was committed in the interest or for the benefit of the entity) entail the entity's liability.

The same Decree, however, identifies a ground for exemption from administrative liability; namely, it establishes that the entity may not be punished if, before the commission of the offence, (I) it adopted and effectively implemented an "Organisation and management model" suitable for preventing the commission of Predicate Offences of the type of the offence that was committed; (II) it entrusted a corporate body with autonomous powers of initiative and control (Supervisory Body) with the task of supervising the operation of and compliance with the Model and ensuring that it is updated; (III) the Supervisory Body diligently performed its tasks consisting in the Model's supervision.

Art. 6 of (It.) Legislative Decree 231/01 outlines the content of the organisation and management models envisaging that they must, with regard to the extent of the delegated powers and the risk that the offences will be committed:

- identify the activities in whose context the Offences envisaged by the Decree may be committed;
- set forth specific protocols aiming to plan the formation and implementation of the entity's decisions in relation to the offences to be prevented;
- identify means of managing financial resources suitable for preventing the commission of such offences;
- lay down the obligation to provide information to the body that has received a mandate to supervise the operation of and compliance with the organisation Model (Supervisory Body);
- introduce a disciplinary system suitable for punishing non-compliance with the measures indicated by the Model;
- lay down, in relation to the organisation's nature and size, and to the type of activity performed, measures suitable to guarantee the performance of the activity in compliance with the law and to promptly detect and eliminate risk situations.

The Decree also envisages that the Model, other than being adequate and thus meeting the aforementioned requirements in its abstract design, must also be implemented effectively and efficiently; this requires that the Model's provisions be actually complied with by its Recipients. In order to assure the effective implementation and the adequacy of the Model over time, said Decree envisages the need for an audit of actual compliance and for the periodic update of the Model, both when there are important violations of the norms contained therein and whenever there are changes to the entity's organisation or activity, and when the regulatory framework on the Predicate Offences is amended.

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As grounds for the entity not being subject to punishment, the Model operates with the following differences, depending on whether the predicate offence was committed by a member of senior management or by a subordinate: (I) for offences committed by a member of senior management, the entity must prove, aside from the aforementioned conditions, that the member of senior management committed the offence “by fraudulently evading” the Model, proving that the Model was effective and that the member of senior management violated it intentionally, bypassing it; (II) for offences committed by subordinates, on the other hand, the entity may be punished only if it is ascertained that the commission of the offence was made possible “by failure to comply with the management or supervision obligations”. Failure to comply with the management or supervision obligations is not present if the entity, before the commission of the offence, adopted and effectively implemented a Model suitable for preventing offences like the one committed. It is sufficient for the entity to prove that it had adopted and implemented the Model and the Judicial Authority will have to prove the ineffectiveness thereof.

Pursuant to (It.) Law of 30 November 2017, no. 179, “*Provisions for the protection of authors of reports on offences or irregularities of which they became aware in the context of a public or private employment relationship*”, the Model must, moreover, envisage:

- a) one or more channels that make it possible for members of senior management and subordinates to present, in order to protect the entity’s integrity, founded reports of illicit conduct, of importance pursuant to the decree and based on precise and consistent evidence, or of violations of the entity’s organisation and management model, of which they became aware during the performance of their tasks; such channels guarantee the confidentiality of the reporting party’s identity during the report’s management;
- b) at least one alternative reporting channel that can guarantee, by IT means, the confidentiality of the reporting party’s identity;
- c) the prohibition of direct or indirect reprisals or discrimination against the reporting party for reasons directly or indirectly related to the reporting;
- d) in the disciplinary system, sanctions against whoever violates the measures for the protection of the reporting party, as well as against whomever makes reports that turn out to be unfounded, with intent or gross negligence.

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## SECTION TWO

### 3. THE ORGANISATION, MANAGEMENT AND CONTROL MODEL OF FII

#### 3.1 THE PURPOSES OF THE MODEL

In conformity with the provisions of the Decree, the Company adopted a compliance plan consisting in the “Organisation, management and control model”, summarised in this document and based on the company’s Code of Conduct. In fact, the Company is conscious of the need to ensure compliance with the highest levels of fairness and integrity in doing business and in performing its activities, for the protection of its reputation and its employees, customers, suppliers and of the community in which it provides its services.

By voluntarily adopting and effectively implementing the Model, the Company intends to pursue the following main purposes:

- implement and strengthen the effectiveness of its Code of Conduct and improve the internal control system along business and support processes, further increasing the awareness of all Recipients so that, when performing their activities, they behave in ways that are always in compliance with the applicable legal provisions, and in conformity with the highest levels of integrity and ethics;
- impress that any unlawful conduct is strongly condemned by the Company, as such behaviour violates not just the provisions of the law but also the Company’s Code of Conduct and procedures;
- instill in the Model’s Recipients the awareness that, in case of violation of the Model’s provisions, they may be committing offences punishable with grave penalties, both against themselves and directly against the Company itself;
- prevent and/or counter the occurrence of the risks that the predicate offences leading to the entity’s liability pursuant to the Decree could potentially be committed, thus allowing the Company to be able to reap the benefits envisaged by the Decree itself (exemption from liability or reduced sanctions) for entities that have adopted and effectively implemented their own Model.

#### 3.2 THE METHODOLOGICAL APPROACH

In order to prepare and effectively maintain its Model in the future, the Company performed, in methodological consistency with the Decree’s provisions, with the Guidelines proposed by Confindustria and with the international standard ISO 31000 on Risk Management, as well as with the best practices of references, the following design activities:

- **Definition of the context:** this stage was in the hands of the Working Group made up of internal and external resources with comprehensive and in-depth knowledge of the Company’s business model and organisation and of the market in which it operates, as well as of (It.) Legislative Decree 231/2001. The participants, following the updated list of offences included in (It.) Legislative Decree 231/01, discussed the pertinence - even if just theoretical - of the individual offences for the Company. This activity made it possible to:
  - identify the abstract pertinence for the Company of certain offences, with the collection of the first information on the means/occasions by and under which such offences could be committed (so-called at-risk activity areas), as well as the potentially concerned organisational unit of the Company with which to perform the assessment of the related risk;
  - identify the non-applicability, even theoretically, to the Company of certain offences with their consequent exclusion from the subsequent activities, among which the risk assessment and the handling of said risks;
  - define and share the remaining context of the risk management process, and, in particular, the risk criteria to be used for the assessment, during the deliberations, of the significance of the risks.
- **Performance of the risk assessment:** based on the results of the previous stage, it was possible to focus the attention on activity areas at potential risk with the related internal contact persons, who were also identified by providing examples and discussing the main possible ways under which the individual considered risks of predicate offences could occur and the related purposes of potential interest and/or

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advantage for the Company. A qualified facilitator and methodology expert, part of the Working Group, supported the persons interviewed in the in-depth assessment of such areas of at-risk activity and in the collection and documentation of their replies. The results of this activity made it possible to identify, in the context of the areas of at-risk activities that were previously defined, one or more activities at risk of an offence (“**sensitive activities**”), understood as activities/occasions in the context of the Company’s business or support processes which could potentially give rise to one or more offences in the interest and for the benefit of the Company itself. Following the identification, the same managers/contact persons involved performed analysis that made it possible to define, for each sensitive activity, a level of risk to obtain a consequent total ranking and to weigh it with regard to the previously defined risk criteria. In accordance with the most important international standards of reference (among which ISO 31000 “Risk Management – Principles and Guidelines”, and ISO/IEC 31010 “Risk Assessment Techniques”) and with consolidated methodologies that comply therewith, the qualitative/quantitative assessment of the risk level translates in a distribution that ranges from 1 (minimum value) to 25 (maximum value) and which represents the result of the combination of consequences (whose drive is made up of the potential interest of and/or benefit to the Company) and their probability of occurring (that can also be estimated based on the historical data series of the events being analysed). The prioritisation of sensitive activities by risk level makes it possible, in accordance with the defined risk criteria and as the result of the weighing of the sensitive activities, to focus efforts on sensitive activities that have been judged as being at medium risk level - at least, in particular with regard to the related means of handling them (first among which are control protocols). For sensitive activities judged to be at medium/low or low risk level, in accordance with the defined risk criteria, the Company in fact believes that, for the purposes of managing them and specifically in order to prevent the related risks of predicate offences, the conduct principles described in the Code of Conduct and restated in the Model described in this document, as well as the Company’s general management system, are adequate and sufficient.

- **Identification and assessment of existing handling measures:** with regard to sensitive activities that were judged as being at medium risk level (at least), the working group searched for and identified the current procedures and practices of the Company, or, vice versa, their absence (gap), the internal controls (control protocols) able to guide and subject to adequate control said sensitive activities and/or the related offending behaviours, contributing to the prevention and management of the potential occurrence of the risk that the predicate offence that gives rise to the entity’s liability will be committed. Consistently with the best reference practices, the principle adopted in the construction and assessment of the internal control system’s adequacy is the one according to which the conceptual threshold of the acceptability of the risk that an offence will be committed is represented by a prevention system that can only be bypassed fraudulently. Moreover, control protocols are inspired by the rule of documenting and ensuring the verifiability of the various stages of the decision-making and control process, so that it is possible to go back to the motivation that led to the decision and check the actual compliance with and effectiveness of the controls expected.
- **Definition and implementation of the actions necessary for the remedy of the gaps identified,** improving the Company’s internal control system in accordance with the need for adequate governance of the sensitive activities and/or of the related offending behaviours, and in general compliance with the purposes of the Decree, with the fundamental principles of separation of tasks and definition of authorisation powers that are consistent with the responsibilities assigned and with the need to document internal controls. In this stage, particular attention was paid to identifying and regulating the processes for the management and control of financial resources and utilities in general, as well as the obligation of the various contact persons/managers to provide information to the Supervisory Body in order to assist it in the exercise of its tasks, consisting in supervising and controlling the actual effectiveness of and compliance with the Model.

The results of the aforementioned activities are collected in specific documents that are always available to the Supervisory Body.

### 3.3 THE ADOPTION OF THE MODEL

Article 6, paragraph 1, letter a) of the Decree requires the Model to be an “act of a corporate governance body”. In application of this provision, the Company adopted this Model by virtue of a resolution of the Board of Directors of 4 September 2018.



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## SECTION THREE

### 4. THE MODEL'S COMPONENTS

#### 4.1 THE SENSITIVE ACTIVITIES

The use of the methodological approach for the preparation of this Model described in the paragraph 3.2 “The Methodological Approach”, and the risk assessment in particular, led to the identification of the offences that fall under the following sub-populations as Predicate Offence categories that may be associated with the sensitive activities that have been judged as being at medium/high risk level:

- offences against the Public Administration (articles 24 and 25 of the Decree);
- corporate offences (art. 25-ter of the Decree) offences of involuntary manslaughter and actual or grievous bodily harm due to violations of the safe working practice laws and Occupational Health and Safety regulations (article 25-septies of the Decree);
- offences against the person (article 25-quinquies) and of employment of third-country nationals whose residence is not regular (article 25-duodecies);
- tax offences (Art. 25-quinquiesdecies).

With regard to the remaining categories of Predicate Offences, that may or not be associated to the additional sensitive activities identified, it was deemed that, in light of the results of the risk assessment performed, they do not currently entail risk profiles such as to require specific handling. In that sense, the company ensured general monitoring through the component of the Model represented by the Code of Conduct that is, in any case, binding for recipients, and through the Company's general management system. Through the process for the update and improvement of the Model as described in this document, the Company undertakes to periodically update the assessment of its risk profile, also to adapt to changes to the regulatory framework, organisation, business model and, in general, the external and internal context in which it operates, as well as to the needs that will arise during the effective performance of the Model itself.

The list below summarises the Company's activity areas judged to be at risk; according to the risk assessment carried out by the Company, the performance of said activities could theoretically (medium/high risk level) entail one or more risks that the predicate offences that give rise to the entity's liability pursuant to (It.) Legislative Decree 231/2001 will be committed:

- A.1 Collection and management of contributions, grants, subsidies or loans from Public Entities
- A.2 Being granted contracts/agreements with Public Entities, or concessions, licences, authorisations or certificates
- A.4 Audits, inspections and sanctioning procedures by the Public Administration
- D.1 Audits, inspections and sanctioning procedures by private third parties whose outcome depends on or may be strongly affected by the reputation/operations and/or the performance of the company Drafting the Financial Statements and other corporate disclosure
- D.2 Management of contractual relationships with other group societies
- G.1 Management of employment relationships with foreign workers
- H.1 Management of occupational health and safety and related obligations
- P1 Management of accounting, fiscal, tax and taxpayer obligations.

The technical documentation kept by the Company and always available to the Supervisory Body provides a detailed description of the sensitive activities in the context of the Company's reference areas of activity “at risk pursuant to Decree 231”, described above. The documentation of the identified sensitive activities is structured by:

- offence family of reference, usually coinciding with the description of the sub-group of offences to which reference is made in one or more articles of the Decree (i.e. offences against the public administration, corporate offences, etc.) and of the related main hypotheses of offending behaviours;

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- Company reference areas of activity “at risk pursuant to Decree 231” which include one or more sensitive activities;
- organisation unit responsible for or which participates in the performance of the sensitive activity.

#### 4.2 THE ORGANISATIONAL STRUCTURE

The Company’s organisational structure complies with the fundamental requirements for formalisation and clarity in relation to the allocation of responsibilities and of the corresponding powers with internal and external effectiveness, also in conformity with the requirements set forth by the standard UNI EN ISO 9001. In any case, the Company’s organisational structure is informed by the general principles of:

- awareness inside the Company;
- clear and obvious role limits, with clear indication of each person’s responsibilities;
- precise demarcation of the powers allocated through the precise definition of limits by nature of the operations, economic value and recourse to joint or single signature;
- alignment of the powers conferred with the responsibilities allocated;
- clear description of reporting lines;
- effective understanding of the allocation of internal and external proxies.

The exact summary by organisation unit of responsibilities with regard to sensitive activities, control protocols and information flows supplements the organisational tools used by the Company to formalise the responsibilities allocated inside the organisation.

#### 4.3 CODE OF CONDUCT

The principles and rules of behaviour contained in this Model are supplemented, as they are an application thereof, with the provisions of the Code of Conduct adopted by the Company, although the Model has a different scope from said Code with regard to the purposes that it intends to pursue in implementation of the Decree’s provisions.

The Code of Conduct, from which the Company drew inspiration for the adoption of this Model, is the main document adopted by the Company meant to provide guidance for the management of relationships and of the Company’s affairs by all directors, executives and employees, as well as by third parties, through specific contractual clauses. By setting ethical/practical standards and the corresponding general principles of behaviour, the Code of Conduct explicitly sets forth the behavioural requirements to be met to ensure not just compliance with the laws that apply to all contexts in which the Company operates, but also conformity with the highest ethical conduct standards, also in relation to the risk that the specific predicate offences that give rise to the entities’ liability and that are included in the Decree will be committed.

In this sense, we deem it appropriate to point out that:

- the Code of Conduct is a tool adopted autonomously and liable to be implemented generally by the Company in order to express a series of ethical principles that the Company endorses and whose respect it intends to demand from all its employees and all those who cooperate in achieving the Company’s purposes;
- conversely, the Model is a response to specific norms contained in the Decree, aiming to prevent the commission of specific types of offences by actions that, ostensibly performed in the interest or for the benefit of the Company, can give rise to administrative liability based on the provisions of the Decree in question.

However, in consideration of the fact that the Code of Conduct, also through ethical/practical standards and the general principles of behaviour, refers to the conduct principles that are also suitable for preventing the unlawful behaviours pursuant to the Decree, it is relevant for the purposes of the Model and is, therefore, a formally integral part of the Model itself. This Model and, in particular, the activities of its component “Supervisory Body” govern the ways in which the Code of Conduct is implemented and the sanctions imposed on the recipients in case of violation of the behavioural principles contained therein.

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#### 4.4 THE CONTROL PROTOCOLS

As mentioned earlier in the description of the methodological approach adopted, when preparing and updating the Model, the Company took into account and, where necessary, improved its internal control system in order to guarantee its ability to prevent the offences envisaged by (It.) Legislative Decree 231/2001, adequately regulating, through specific handling measures which are systematically monitored and reviewed, the activities identified as being at medium risk level, at least.

In the context of the Company's widest-ranging internal control system, the control protocols examined here constitute, in fact, specific control procedures (or specific parts of such procedures) documented by the Company for the correct and concrete application of this Model by the Recipients. The Company has thus configured, as control protocols aiming to govern the formation of the Company's will, a list of internal control procedures and measures directly and specifically designed to counter the possible ways in which the criminal behaviours that can be associated to the sensitive activities identified and assessed as being at medium risk level, at least, can be implemented.

The description of the controls is based on four fundamental attributes with which the design of any internal control must comply, in accordance with the best practices of reference:

WHO: who performs the control, i.e. the competent organisational unit;  
 HOW: how the control activity is performed, i.e. the Description of the Protocol;  
 WHEN: when the control is performed, i.e. the Frequency;  
 PROOF: what proof is produced and kept, i.e. Proof that the control was performed.

The full list of the procedures, namely the control protocols and the associations with the corresponding sensitive activities to which they act as a countermeasure, are contained in the technical documentation that is always available to the Supervisory Body and, for the matters under their purview, to the respective managers (so-called Control Owners).

The overall management and control of the Company involves all sectors of activities performed by the Company. Here are some examples of what it includes:

- the Code of Conduct of which this Model is a specific application in compliance with the requirements set forth by the Decree;
- the corporate governance rules, the organisation charts, the service instructions and the existing procedures at the Company;
- the Quality Management System (certified in compliance with the standard UNI EN ISO 9001);
- the Occupational Health and Safety Management System (certified in compliance with the standard OHSAS 18001).

Although these additional components may contribute to the prevention of the risks that the offences that are important pursuant to (It.) Legislative Decree 231/2001 will be committed, they are not mentioned and documented in this Model, but form part of the wider management system that the Model intends to supplement on a residual basis and with specific reference to the requirements set forth by (It.) Legislative Decree 231/2001. These additional components are, however, liable to autonomous amendments and additions, completely consistently with their purposes and in accordance with the authorisation and adoption rules envisaged thereby, without this entailing the need to amend the Model described in this document.

#### 4.5 THE MEANS OF MANAGING FINANCIAL RESOURCES

The means of managing financial resources are a sub-group of the control protocols described in general in the previous paragraph and specifically configured to counter the offending behaviours that in some way involve their use and/or availability, among those contemplated by the offences to which reference is made in (It.) Legislative Decree 231/2001 (i.e. offences of corruption against the Public Administration). Consistently with the specific and explicit requirement of letter c), paragraph 2 of article 6 of (It.) Legislative Decree 231/2001, the control protocols under examination aim to ensure the correct use of financial resources, and, in general, of economic utilities in order to prevent the commission of the offences that give rise to the Company's liability pursuant to the Decree.



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As is the case for control protocols, the means of managing financial resources are described in the technical documentation that is always available to the Supervisory Body.

#### 4.6 THE SUPERVISORY BODY

Art. 6, paragraph 1 of (It.) Legislative Decree 231/2001 envisages that the role of supervising and ensuring the update of the Model must be entrusted to a Supervisory Body internal to the Company which, having been granted autonomous powers of initiative and control, will continuously carry out the tasks it has been allocated.

##### 4.6.1. Identification and appointment of the Supervisory Body

In accordance with the standards and best practices of reference and in order to adequately perform the role it has been entrusted with, the Supervisory Body in its entirety meets the following requirements:

- **autonomy:** this requirement is guaranteed by the hierarchical position of the body inside the organisation operating under the Board of Directors and granted full decision-making autonomy, as well as the recognition of the powers and means necessary to fulfil its responsibilities and of the finality of the decisions taken during the exercise of its functions;
- **independence:** the body in its entirety is not assigned responsibilities whose allocation and/or exercise would undermine the objectivity of judgement during the audit of the operation of and compliance with the Model by the Recipients;
- **professionalism:** the body in its entirety has technical/professional competences suitable for the role it is called to perform;
- **continuity of action:** the continuous and effective implementation of the Model and compliance with the related provisions requires the Supervisory body to operate without interruptions. The Supervisory Body is able to operate constantly, being an ever-present point of reference for all Company personnel.

In this context and in relation to the Company's size and organisational features, and specifically depending on the specific risk profile detected and described above, the formed Supervisory Body is composed of 2 to 4 members who, individually and/or together, meet the requirements described above.

Aside from the professional experience and knowledge that each member can contribute to the effective activity of the Body, the members possess personal qualities that render them suitable for the performance of the tasks with which they have been entrusted. In this sense, following their appointment, each member of the Supervisory Body declares that:

- they personally meet the requirements of honour and morality;
- they do not entertain, directly or indirectly, economic non-employment relationships with the Company, with its potential subsidiaries, with the executive directors, with the shareholder or group of shareholders that control the Company, of such importance that they will compromise their autonomy of judgement, assessed also in relation to the subjective financial situation of the natural person in question;
- they are not in any other situation of conflict of interest, even potential, such as to prejudice the independence required by the role and the duties of the Supervisory Body;
- they are not legally debarred, incapacitated, bankrupt or sentenced to interdiction from holding public offices, including temporarily, or prohibition to hold management positions or unable to hold managerial positions in undertakings and legal entities, unable to exercise a profession or a craft;
- they are not subject to preventive measures imposed by the judicial authorities, without prejudice to the effects of rehabilitation;
- they have not been sentenced or they have not have bargained the application of the penalty nor have they been suspected or accused in criminal proceedings for non culpable offences or offences which have an impact on their professional ethics or in any case for having committed one of the predicate offences of the Decree.

The Company's Supervisory Body is appointed by the Board of Directors with a resolution. The term of the assignment may be up to three years from the appointment date with a possibility of renewal on expiry of the mandate.

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The members of the Supervisory Body cease their role by withdrawal, subsequent incapacity, death or revocation. The members of the Supervisory Body may be revoked in case of failure to fulfil obligations related to their tasks, or unjustified inactivity or on the occurrence, after the appointment, of any of the grounds for ineligibility mentioned above, which the member themselves must immediately notify to the Management Board. The revocation is decided by the Board of Directors. In case of withdrawal, subsequent incapacity, death or revocation of a member of the Supervisory Body, the other members of the Body will inform the Board of Directors which shall, without delay, made the suitable decisions.

#### **4.6.2. The role of the Supervisory Body**

The Supervisory Body is called upon to perform the following tasks:

- propose the adaptations and amendments of the Model following changes in the Company's organisation or activity, changes to the regulatory framework of reference, and as a response to ascertained irregularities or violations of the provisions of the Model;
- supervise and control compliance with and the effective implementation of the Model by the Recipients, checking, for example, the actual adoption and the correct application of the procedures, and, within the latter, of the control protocols, the preparation and regular keeping of the documentation envisaged by said procedures, as well as the overall effectiveness and operation of the measures and precautions adopted by the Model in relation to preventing and impeding the commission of the offences envisaged by (It.) Legislative Decree 231/01;
- report the plan of its activities, the related results and all other information envisaged by the Model to the other bodies of the Company;
- manage and reply to the flow of information received, in full compliance with the reporting parties' need for confidentiality, especially in case of reporting of the Model's violations that constitute offences;
- assure and monitor the training and information activities required based on the programme for conformity with (It.) Legislative Decree 231/2001.

#### **4.6.3. The powers of the Supervisory Body**

To fulfil its responsibilities, the Supervisory Body is granted the following powers:

- self-regulation of its operation, defining the means of convocation, how the meetings are held, how decisions are taken and minutes are kept, etc., including the means of organisation and the methods guiding its activities;
- free and unconditional access to all Company departments - without the need for any preventive consent - in order to obtain any information, document or data deemed necessary for the performance of the duties envisaged by the Decree;
- availability, in accordance with the related planning and control process of the Company, of its own budget so as to meet any need necessary for the proper performance of its tasks;
- if deemed necessary, receiving support - under its direct supervision and responsibility - from the other structures of the Company;
- if specific skills are required for the SB to perform its tasks, the right to use the collaboration of specific professionals external to the Company, using its own budget for this purpose. In these cases, the external subjects act as technical consultants under the direct supervision and responsibility of the Supervisory Body;
- having carried out the appropriate investigations and enquiries and having possibly heard the perpetrator of the violation of the Model's provisions, reporting the event in accordance with the regulations of the Disciplinary System included in this Model.

#### **4.6.4. Communication and consultation with the other corporate bodies**

In order to improve the prevention powers of the Model, the Supervisory Body must constantly work with the Board of Directors and with the Board of Statutory Auditors. Reporting to the aforementioned corporate bodies, which are competent for convoking the Shareholders' Meeting, is also the best guarantee of last control on the work of the directors, entrusted - by the law and the Articles of Association - to the shareholder. Specifically, the Supervisory Body reports to the Board of Directors and to the Board of Statutory Auditors:

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- immediately, in relation to ascertained violations of the Model adopted, if such violations may entail the liability of the Company;
- periodically, by sending the activity plan and the periodic report on the results of the activities carried out;
- when necessary, with regard to the updates to and adaptations of the Model adopted.

The Supervisory Body may be convoked at any time by the Board of Directors and by the Board of Statutory Auditors to report on the operation of the Model or with regard to specific situations related to the Model's provisions.

#### 4.7 INFORMATION FLOWS AND REPORTS

The requirements that must be met by the Model pursuant to (It.) Legislative Decree 231/2001 include the establishment of an obligation of the corporate bodies and, in general, the Recipients of the Model to provide information to the Supervisory Body. This is done in order to assist the Supervisory Body in the performance of the tasks allocated thereto.

It is, in fact, required that the Supervisory Body be promptly informed of what is happening and of all aspects that may be of interest to the Model. The obligation to provide information to the Supervisory Body guarantees the orderly performance of the activities pertaining to the supervision and control of the Model's effectiveness and refers - on a periodic basis or in response to a specific event (e.g. the launch of an inspection) - to the information and data detailed in the specific summaries, or further identified by the Supervisory Body and/or requested thereby from the individual departments of the Company. This information must be sent within the deadlines and in the ways set forth and governed in the technical documentation that is available to the Supervisory Body (so-called information flows) and to the responsible Recipients.

The obligation to provide information to the Supervisory Body also pertains, occasionally, to any other information, of any type, concerning the implementation of the Model in the sensitive activity areas and compliance with the Decree's provisions, which may be useful for the performance of the Supervisory Body's tasks (so-called reporting) and, specifically and mandatorily:

- complaints, denunciations and reports on presumed violations of the Model (including the Code of Conduct) detected which may entail liability deriving from offences pursuant to the Model or related to facts, deeds or omissions, irregularities or discrepancies detected which constitute criticality profiles with regard to compliance with the rules of the Decree and/or the norms of the Model by the Recipients;
- the decrees and/or information originating from law enforcement or any other authority, also administrative, according to which the Company or the members of senior management are involved and which entail the performance of investigations, also against unknown persons, for the offences of (It.) Legislative Decree 231/2001, without prejudice to the confidentiality and secrecy obligations imposed by law;
- the reports or requests for legal assistance forwarded by the executives and/or by the employees in case court proceedings are launched for one of the offences included in (It.) Legislative Decree 231/2001, as well as all updates on the developments in such proceedings;
- the appearance of new risks in the areas managed by the various managers and all pertinent acts, changes and/or additions to the Company's organisational system (e.g. with reference to operating procedures, to the conferral of powers and proxies, to the changes in at-risk or potentially at-risk situations).

Direct contact with the Supervisory Body may be made through a dedicated e-mail address [odv@friulintagli.com](mailto:odv@friulintagli.com) available for all information flows, and by post to the following address:

SB – Friul Intagli Industries SpA via  
Oderzo 68  
33080, Prata di Pordenone (PN)

The Company may set up additional communication channels on proposal by the Supervisory Body to facilitate their use by the reporting parties and their management by the SB, and to provide greater assurance with regard to the confidentiality of the reporting parties and the corresponding requirements as per article 6 of (It.) Legislative

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Decree 231/2001 on the matter.

If the enquiries made confirm the violation, the Supervisory Body must immediately inform the competent holder of disciplinary powers, who will launch the disciplinary proceedings as described in paragraph 4.11 of this document. All information flows and reports collected are stored, managed and kept by the Supervisory Body in a specific data bank managed and protected in compliance with the regulatory framework in force, also with particular reference to the need to protect the reporting parties' confidentiality.

#### **4.8 THE PROCESS FOR CHECKING THE MODEL'S EFFECTIVENESS**

The explicit requirements of a Model pursuant to (It.) Legislative Decree 231/2001 include the effective implementation of said Model; in fact, it is not sufficient for the Model adopted to theoretically prevent the predicate offences that entail the entity's liability: the effective and efficient implementation by the Recipients must also be guaranteed. In this sense, article 7, paragraph 4 of (It.) Legislative Decree 231/2001 explicitly specifies that the effective implementation of the model requires, in turn, "...a *periodic audit*..." of the Model.

This process falls under the responsibility of the Supervisory Body which, in this way, aims to assure the effective application and effectiveness of the Model's provisions. Please note that the audit process, aside from making it possible to collect and order the objective feedback regarding the concrete functioning of the Model, as well as the critical issues and any violations, continuously aims to:

- train the persons responsible for internal controls or those who are called upon to implement one or more control protocols or to report an information flow to the SB itself;
- launch the process for the update and supplementation of the Model, improving its adequacy and overall efficacy, detecting irregularities in the behaviour of the expected controls, violations or opportunities for improvement of the Model's norms and principles;
- launch the disciplinary proceedings against those who have been responsible for one or more violations found during the audit.

It is the responsibility of the SB to define the means and tools by which to regulate the process for checking the effective implementation of the Model.

#### **4.9 THE TRAINING AND INFORMATION PROCESS**

Training the Model's Recipients is an essential part of the plan for complying with the requirements laid down by (It.) Legislative Decree 231/2001, as it is a fundamental prerequisite to assure the effective implementation of the Model (article 7, paragraph 4 of (It.) Legislative Decree 231/2001) and of the preventive measures envisaged therein.

Training and information are carried out periodically and are intended for all Recipients. Their content and provision methods differ depending on the Recipients' qualification and on the risk level of the activities for which they are responsible and/or in which they participate.

External Recipients receive information on the essential components of the Model, such as the Code of Conduct. This information is fundamental for the stipulation of contracts or the insertion of (a) specific clause(s) regarding the limitation of the Company's liability and unilateral termination in the case of behaviours by the External recipients that violate this Model and/or the Code of Conduct.

The SB is responsible for defining the means and tools for monitoring the training and information activities of Internal and External Recipients.

#### **4.10 THE PROCESS FOR UPDATING AND IMPROVING THE MODEL**

The adoption and effective implementation of the Model are - as explicitly envisaged by the law - the responsibility of the Board of Directors. Consequently, the power to adopt possible amendments to the Model is, therefore, conferred on the Board of Directors, which will exercise it with a resolution using the means envisaged for its adoption.

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The Board of Directors, therefore, takes care of the update (supplementation and/or amendment) of the Model over time, guaranteeing its adequacy and suitability, assessed with regard to the Model's function as prevention of the commission of the offences mentioned in (It.) Legislative Decree 231/2001. In support of the Board of Directors, the Supervisory Body proposes the adaptations and amendments of the Model that it deems necessary following changes in the Company's organisation or activity, changes to the regulatory framework of reference, and as a response to ascertained irregularities or violations of the provisions of the Model.

#### **4.11 THE DISCIPLINARY SYSTEM**

Pursuant to art. 6, par. 2, letter e), and art. 7, par. 4, letter b) of the Decree, the organisation, management and control models may be deemed to be effectively implemented only if they envisage a disciplinary system that can punish non compliance with the measures indicated therein. The application of disciplinary sanctions contributes to and reinforces the effectiveness of the Model's provisions, as it does not depend on the start or the outcome of any criminal proceedings, since the Model and the Code of Conduct are rules that are binding for all Recipients, the violation of which may be punished regardless of whether a crime has been committed or whether such crime is punishable.

##### **4.11.1. Definition and limits of disciplinary powers**

This paragraph of the Model identifies and describes, also by referring to other sources, systems and/or regulations, the pertinent violations of the Model, the corresponding disciplinary sanctions that may be imposed and the procedure for bringing the related charges.

The Company, aware of the need to comply with legal rules and the provisions in force on the matter, assures that the sanctions that may be imposed pursuant to this disciplinary system comply with the provisions of the national collective bargaining agreement that applies to the sector; it also assures that the procedure for bringing charges with regard to the offence and for imposing the relative sanction is in line with the provisions of art. 7 of (It.) Law of 30 May 1970, no. 300 (so-called "Worker's Statute").

In the case of Recipients that are linked by contracts other than employment (directors, and, in general, third parties), the applicable measures and the disciplinary procedures must comply with the law and the related contractual conditions.

##### **4.11.2. Recipients of the disciplinary system and their duties**

The recipients of this disciplinary system are the Recipients of the Model itself.

The Recipients are obliged to adapt their conduct to all principles and measures set forth by the Model.

Any violation of the aforementioned principles and measures (hereinafter referred to as "Infringements") constitutes, if ascertained:

- in the case of employees and executives, a breach of contract with regard to the obligations that derive from the employment relationship, pursuant to article 2104 of the (It.) Civil Code and article 2106 of the (It.) Civil Code;
- in the case of administrators, the non compliance with the duties imposed thereon by the law and by the Articles of Association of the company, pursuant to article 2392 of the (It.) Civil Code;
- in the case of persons external to the company, under the effect of an appropriate contractual clause, it shall constitute a grave breach of contract, pursuant to article 1455 of the (It.) Civil Code, and shall entitle the Company to terminate the contract, without prejudice to compensation for damage pursuant to article 1456 of the (It.) Civil Code by simple written communication, without prejudice to compensation for any damage incurred.

The procedure for imposing the sanctions mentioned below, therefore, takes into account the particularities of the legal status of the persons against whom it is initiated. The following behaviours are examples of infringement:

- violating, also by omission and possibly in cooperation with others, of the principles set by the Code of



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Conduct and of the measures envisaged by this Model or set forth for its implementation;

- drafting, possibly in cooperation with others, of untruthful documents;
- facilitating through omission the drafting by others of untruthful documents;
- removing, destroying or altering the documentation pertaining to procedures for the purpose of evading the system of controls envisaged by the Model;
- impeding the supervisory activity of the Supervisory Body or of the persons it uses;
- impeding access to the information and documentation requested by the persons who have been tasked with controlling the procedures and decisions;
- violating the measures put in place to protect the confidentiality of the reporting parties or the reporting of facts or information that turn out to be unfounded;
- adopting any other behaviour that can bypass the control system envisaged by the Model;
- omitting to report the violations detected to the Supervisory Body.

#### **4.11.3. General principles concerning the sanctions**

The system is inspired by the principles of transparency and equal treatment during the investigations to ascertain the violation and guarantees the persons under investigation the right to defend themselves and the prompt and precise application of the sanctions. The sanctions imposed for the infringements must, in any case, comply with the principle of gradual implementation and proportionality of such sanctions depending on the gravity of the violations committed.

The type and extent of the sanction imposed following the commission of Infringements, including offences that are important for the purposes of (It.) Legislative Decree 231/01, must be determined by assessing the following:

- the intentional nature of the behaviour that led to the violation;
- the negligence, imprudence and inexperience shown by the perpetrator when committing the violation, especially with reference to the actual possibility to foresee the event;
- the importance and possible consequences of the violation or of the offence;
- the position of the Recipient inside the company's organisation, especially in consideration of the responsibilities related to their tasks;
- any aggravating and/or attenuating circumstances that may be found in relation to the behaviour adopted by the Recipient; aggravating circumstances include, but are not limited to, prior disciplinary sanctions against the same Recipient in the two years prior to the violation or the offence;
- the cooperation of more than one Recipients, in agreement between them, in committing the violation or the offence.

The sanctions or the related procedure for bringing charges with regard to the Infringement differ depending in the various categories of Recipients as described in paragraph 4.11.2. The Supervisory Body may participate actively in the procedure for verifying the Infringements, while the competent Company department will be responsible for imposing the disciplinary sanctions.

All Recipients of this Model have a duty of reporting. Consequently, all violations of the Model or of the procedures set up for its implementation, regardless of the perpetrator, must be immediately reported to the Supervisory Body which must assess the existence of said violation. Once the violation has been assessed, the Supervisory Body shall immediately inform the holder of the disciplinary powers who will launch the disciplinary proceedings under their purview to bring charges and, possibly, apply sanctions. The Supervisory Body requests and receives updates on the main developments of such disciplinary proceedings, and is notified of all decisions to punish and/or archive the violation.

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#### **4.11.4. Sanctions against blue and white collar workers, and mid-level managers**

Behaviours adopted by employees in violation of the individual behavioural rules envisaged by the Model, and of the principles of the Code of Conduct, are defined as disciplinary offences, as well as a violation of the obligation of workers to perform the tasks entrusted to them with maximum diligence, in compliance with the directives of the Company, as envisaged by the applicable NCBA of the sector.

The sanctions that may be imposed to blue and white collar employees and mid-level managers are included in those envisaged by the sanctions system laid down by the NCBA of reference, in compliance with the procedures set forth by article 7 of the Workers' Statute and any special applicable rules and regulations. The Model refers to the sanctions and categories of punishable facts envisaged by the current sanctions system in the context of the NCBA, for the purpose of associating possible violations of the Model to the offences already envisaged by the aforementioned provisions.

#### **4.11.5. Sanctions against executives**

When the violation of the law and of the provisions of this Model and of the Code of Conduct, and, in general, the adoption of behaviours that may expose the Company to the application of the administrative sanctions envisaged by (It.) Legislative Decree 231/2001 is committed by executives, the persons responsible will be subject to the most suitable measures in conformity with the sanctions envisaged in the collective bargaining agreements for other categories of employees, in compliance with articles 2106, 2118 and 2119 of the (It.) Civil Code, and art. 7 of the Workers' Statute.

Specifically, the procedure for ascertaining possible violations may entail, where workers with managerial tasks are concerned, precautionary suspension from work, without prejudice to the manager's right to remuneration, as well as, again as a provisional and precautionary measure for a period of no more than three months, the assignment to other tasks in compliance with art. 2103 of the (It.) Civil Code. As a specific sanction, the Supervisory Body may also propose the suspension of the proxies that may have been conferred on said manager.

#### **4.11.6. Measures against the directors**

In case of violation of the Model by the Directors, the Supervisory Body will promptly inform the entire Board of Directors and the Board of Statutory Auditors of the Company so that they may adopt or promote the most suitable and adequate initiatives, depending on the gravity of the violation found and in compliance with the powers envisaged by the applicable regulatory framework and by the Articles of Association.

Specifically, in case of minor violations of the Model by one or more Directors, the Board of Directors may directly impose the sanction of an official written warning or of temporary revocation of proxies all the way to heavier sanctions (including but not limited to temporary suspension from office, and, in more serious cases, the revocation thereof) which will be adopted by the next Shareholders' Meeting.

Regardless of the type of Internal Recipient of reference, behaviours that do not constitute a violation of the Model are still governed by the regulatory framework in force and by current procedures without the involvement of the Supervisory Body.

#### **4.11.7. Measures against external collaborators and contractual counterparties**

All behaviours adopted by external associates (consultants, contract workers, long-term consultants, etc.) or contractual counterparties, included in the Model's Recipients, that violate the norms of the Code of Conduct, such as to entail the risk of commission of an offence envisaged by the Decree, may result, in accordance with the provisions of the specific contractual clauses inserted in the letters of assignment or in the contract, in the termination of the contractual relationship, or in the right of withdrawal therefrom, without prejudice to any requests for compensation if such behaviours harm the Company, as - by way of a non-limiting example - would happen if the sanctions envisaged by the Decree were to be applied even as a precaution.



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The Supervisory Body, in coordination with the office of reference, checks the adoption and implementation of specific procedures for providing external associates and contractual counterparties, included in the Model's Recipients, with the adequate information and the proposal of stipulation of contracts and that the process of requesting, collecting the replies/additions and archiving is monitored.



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## **SPECIAL PART H - OFFENCES COMMITTED IN VIOLATION OF OCCUPATIONAL HEALTH AND SAFETY STANDARDS**

### **1. The types of offences committed in violation of standards for the prevention of accidents and the protection of occupational health and safety (art. 25 septies of (It.) Legislative Decree 231/2001)**

This Special Part refers to the crimes of involuntary manslaughter or actual and grievous bodily harm of articles 589 and 590, paragraph 3 of the (It.) Penal Code, committed by violating the standards for the prevention of accidents and for the protection of occupational health and safety to which reference is made in art. 25 septies of (It.) Legislative Decree 231/2001, if committed in the exclusive interest of the company by directors, general managers or liquidators or by persons subject to their supervision, where the event would not have occurred if they had supervised in conformity with the obligations inherent in their tasks.

Below please find a brief description of the crimes to which reference is made by said article, with reference to the text of the decree and that of the (It.) Penal Code for a detailed description thereof, which must however be understood to be already known pursuant to art. 5 of the (It.) Penal Code.

#### ***Involuntary manslaughter (art. 589 of the (It.) Penal Code)***

Pursuant to art. 589 of the (It.) Penal Code, whoever voluntarily causes the death of a man<sup>1</sup> shall be guilty of this crime. The material fact of involuntary manslaughter entails three elements: a behaviour, an event (the death of a person) and the causal link between the two. On a subjective level, the manslaughter is involuntary when the agent does not wish the victim's death or the damaging event from which such death arises and the two occur due to the agent's culpability or due to negligence, lack of experience or non compliance with the laws by the latter.

The monetary penalty of two hundred and fifty to one thousand quotas is envisaged for this crime.

#### ***Bodily harm through negligence (art. 590 of the (It.) Penal Code)***

Art. 590, paragraph 3 of the (It.) Penal Code punishes the behaviour of whoever causes another actual or grievous bodily harm by violating the standards for the prevention of accidents at work<sup>2</sup>.

The bodily harm is actual if the fact results in an illness that endangers the life of the person or an illness or inability to deal with daily tasks for a time that exceeds forty days - if the fact results in the permanent weakness of a sense or an organ.

The bodily harm is grievous if the fact results:

- in an illness that is probably or certainly incurable;
- in the loss of a sense;
- in the loss of a limb, or a mutilation that renders the limb unusable, or the loss of the use of an organ or of the ability to procreate, or permanent and serious difficulty of speech;
- facial deformity or permanent disfigurement.

The monetary penalty of up to two hundred and fifty quotas is envisaged for this crime.

### **2. Sensitive Processes in relation to compliance with the standards for the prevention of accidents and the protection of occupational health and safety.**

The most sensitive Activities that FRIUL INTAGLI has identified inside its organisation are, in general, the obligations and the duties that depend from or are related to the obligations set by the regulatory framework in force on the protection of occupational health and safety, with particular reference to the provisions of (It.) Legislative Decree of 9 April 2008, no. 81, as subsequently amended and supplemented.

We believe, therefore, that the sensitive Areas to be monitored in this context, also in light of the specific activity carried out by FRIUL INTAGLI, are as follows:

- formalisation of the delegation of functions related to occupational safety;

<sup>1</sup> By way of a non-limiting example, this crime is committed, for example, if an employee of FRIUL INTAGLI INDUSTRIES SpA due to inattention starts a fire on the workplace, causing the death of one or more persons

<sup>2</sup> By way of a non-limiting example, the crime is committed, for example, if an employee of FRIUL INTAGLI INDUSTRIES SpA, failing to comply with the internal safety standards, runs over a colleague while using a lift truck, injuring them

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- appointment of an RSPP [Health and Safety Officer], a company doctor and a worker's safety manager;
- appointment of managers tasked with safety;
- risk assessment and drafting the related document;
- identification and preparation of procedures on safety, fire prevention, first aid and periodic audits;
- provision of information and training to workers on safety risks and the preventive measures adopted;
- scheduling periodic meetings;
- management of the safety expenses budget;
- planning measures for the improvement of the protection and prevention service;
- management of UNIT personnel;
- selection and management of relationships with supplier firms;
- management of the relationships with the subjects tasked with drafting the risk assessment document

The following FRIUL INTAGLI resources are directly involved in the performance of these sensitive processes:

- the Safety Proxy;
- the Safety Sub-Proxy;
- the RSPP [Health and Safety Officer].

### 3. Documents taken into account by the Model.

FRIUL INTAGLI, pursuant to art. 30 of (It.) Legislative Decree no. 81/2008 (absolving effect from the liability of entities, legal persons, companies and associations, even devoid of legal status pursuant to (It.) Legislative Decree of 8/6/2001 no. 231 for the offences of bodily harm or involuntary manslaughter related to non compliance on occupational health and safety) has adopted and effectively implemented an Occupational Health and Safety Management System (OHSMS) in compliance with the requirements of the standard BS OHSAS 18001. ISO 45001:2018- "Occupational Health and Safety Management Systems — Requirements with guidance for use" was published on 12 March 2018; it will replace BS OHSAS 18001:2007 (natural expiry on 30 September 2021) replaced by the new ISO 45001. FRIUL INTAGLI has made the migration (transition) from the standard OHSAS 18001 (withdrawn) to the new standard UNI EN ISO 45001.

Said Occupational Health and Safety Management System includes the organisational structure, the planning activities, the responsibilities, the practices, the procedures, the resources to draft, implement, achieve, review and maintain active the policy on occupational health and safety.

The company has also adopted an Occupational Health and Safety Management System Manual "OHSMS Manual Rev.11" which contains the means by which FRIUL INTAGLI manages all aspects pertaining to occupational health and safety, compliance with which makes it possible to work in an organised manner, without room for error, valid for all departments for all possible issues that may arise during the stages of the company's production cycle.

### 4. Behaviour and control principles in the area at risk from offences committed in violation of the standards on occupational health and safety

This Special Part explicitly forbids the Corporate Bodies of FRIUL INTAGLI (and its Employees, Consultants, Shareholders and Partners to the degree necessary for the tasks they perform) from adopting any behaviour that violates the provisions of the following behavioural Principles on occupational health and safety.

All recipients of this Model must avoid:

- adopting, collaborating in or causing the adoption of behaviours that - taken individually or collectively - entail the commission of the offences included in those considered above (art. 25 *septies* of (It.) Legislative Decree 231/2001);
- violating or causing the violation of the corporate principles and procedures.

All Recipients of this Model must comply with the following rules of conduct:

- complying with the technical/structural legal standards on equipment, systems, workplaces, physical, chemical biological agents;
- performing risk assessment activities and preparing the consequent preventive and protective measures;
- performing activities of an organisational nature, such as emergencies, first aid, management of work contracts and of the other contractual relationships between FRIUL INTAGLI and third-party firms (contractors, sub-contractors, material warehousing, etc.), periodic safety meetings, consultation of worker's safety representatives;
- performing health surveillance activities;
- performing worker training and information activities;

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- performing supervision activities in relation to workers' compliance with the occupational health and safety procedures and instructions
- obtaining the legally mandatory certificates and documents;
- carrying out periodic audits of the application and effectiveness of the procedures adopted;
- complying with the Occupational Health and Safety Management System (OHSMS) BS OHSAS 18001 of FRIUL INTAGLI;
- constantly checking compliance with the internal procedures and the various authorisation control levels envisaged;
- defining and verifying the safety-related organisational and operational tasks of the company's management, executives, supervisors and workers;
- constantly checking the documentation that certifies the tasks of the health and safety officer and any persons seconded to said service, and those of the workers' safety representative, of the persons tasked with the management of emergencies and of the company doctor;
- controlling the documentation, also possibly produced by external subjects tasked therewith, for the request of all types of authorisation, licence, concession or other and specifically:
  1. the documentation on obtaining the fire prevention certificates and/or the fulfilment of requests by bodies tasked with supervision in relation to risks and fires;
  2. the documentation relating to the authorisations to be obtained for purposes connected with the sector's regulatory framework;
  3. the documentation with reference to occupational safety, including the standards on compliance with hygiene rules, those on the prevention of accidents and those on the protection of occupational health and safety;
  4. the documentation with reference to the safety of work equipment (Machines Directive 2006/42/EC)
- checking, in case of direct recruitment of personnel by FRIUL INTAGLI, compliance with labour law standards and trade union agreements on recruitment and the employment relationship, in general;
- checking, in case of direct secondment of personnel by FRIUL INTAGLI, compliance with labour law standards and trade union agreements on recruitment and the employment relationship, in general, implemented by the administration agencies;
- checking compliance with rules regarding correctness and good behaviour in the work environment;
- constantly checking the reports of the plant managers on the relationship with workers;
- requesting that the Partners and suppliers of FRIUL INTAGLI comply with legal obligations on child labour and working women, hygiene/sanitation and safety conditions, trade union rights or, in any case, the right to association and representation, as envisaged by the regulatory framework in force;
- carefully selecting counterparties intended to provide specific services (contractors, bailees, etc.) and specifically firms with a high number of unqualified labourers, be they Partners or suppliers, based on the suitable internal procedures.

Furthermore:

- it is the duty of all FRIUL INTAGLI employees to comply with the standards for the prevention of accidents and to use promptly and diligently the personal protection equipment and the means of prevention that have been made available to the Company and provided to the workers;
- when clocking in, the worker must have already worn their work clothes and be ready to start working, while, on leaving the company, they must clock out before they enter the dressing rooms;
- each worker must take care of their own personal hygiene and maintain order in their workplace;
- smoking is forbidden throughout the establishment; smoking is possible only outside, within the specified areas that are marked with signs;
- eating is forbidden throughout the establishment's production areas; eating is possible only within the specified areas that are marked with signs;
- workers are invited to behave appropriately and in a manner suitable to the role in which they operate (no playful, jokey, etc. behaviour is allowed) and they are obliged to keep the materials made available to them by the Company in good state, respect the environment and their colleagues;
- it is forbidden to bring and consume alcoholic beverages in the workplace and to start work if drunk and/or however in an impaired mental/physical state;
- it is forbidden to enter the workplace and start work in an impaired mental/physical state due to taking medicine or psychoactive drugs;
- it is forbidden to walk outside the marked pedestrian crossings (where present);
- it is forbidden to introduce external personnel to the UNIT's premises;
- workers are forbidden from carrying out, on their own initiative, manoeuvres or operations that are not under their

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purview and which may, therefore, compromise in any way the safety of other workers and/or cause damage to the systems;

- workers must adopt the behaviours indicated by the safety and prohibition signs placed in the workplaces;
- workers are forbidden from staying in locations other than those where they work; furthermore,
- workers are forbidden from directly asking the personnel of external firms for help or collaboration or ordering them to perform the work under their purview.

The Model's Recipients are also obliged to apply and comply with all behavioural principles contained in the following documents adopted by FRIUL INTAGLI that form an integral part of this Model: Safety Management Manual.

Lastly, contracts with third contracting parties (e.g. Associates, Consultants, Partners, Suppliers, etc.) involved in the performance of activities at risk for the commission of offences in violation of the standards on occupational health and safety, who operate on behalf and in the interest of FRIUL INTAGLI, must meet precise selection criteria defined in this Model and must:

- be defined in writing with regard to all their terms and conditions;
- contain standard clauses for compliance with (It.) Legislative Decree 231/2001 (or, in the case of foreign persons who operate abroad, for compliance with the international and local regulatory framework relating, specifically, to behaviours corresponding to the offences committed by violating the standards on occupational health and safety envisaged by the Decree);
- contain a specific declaration by said persons by which they confirm that they are aware of the regulatory framework pursuant to (It.) Legislative Decree 231/2001 (or, in the case of foreign persons who operate abroad, for compliance with the international and local regulatory framework relating, specifically, to behaviours corresponding to the offences committed by violating the standards on occupational health and safety envisaged by the Decree) and that they undertake to adopt behaviours that comply with the provisions of the standard;
- contain a specific clause that governs the consequences of the violation thereby of the rules of (It.) Legislative Decree 231/2001 (or, in the case of foreign persons who operate abroad, for compliance with the international and local regulatory framework relating, specifically, to behaviours corresponding to the offences committed by violating the standards on occupational health and safety envisaged by the Decree) (for example: express termination clauses, penalties).

## 5. Specific procedures in the area at risk from offences committed in violation of the standards on occupational health and safety

### 5.1 Identification of the persons responsible and identification of the powers granted thereto.

For the purpose of identifying the persons responsible and identifying the powers granted thereto, FRIUL INTAGLI has put in place a series of assignment conferrals for the top-to-bottom distribution of responsibilities and tasks on safety, prevention of accidents and environmental health inside the Company.

FRIUL INTAGLI has, therefore, adopted a safety organisation chart (that can be found in Annex I to this Model).

Said system is conceived in such a way as to facilitate, on the one hand, extensive monitoring in all areas, and, on the other hand, a hierarchical control mechanism, both with regard to operations and with regard to the allocation of the resources needed to assure all appropriate tools required for safety.

The persons responsible thus identified must exercise, in the area under their purview, all powers attributed to them and fulfil all obligations laid down by (It.) Legislative Decree of 9 April 2008, no. 81, and by all other laws and regulation on safety, the prevention of accidents and environmental health.

The persons responsible for the activities pertaining to occupational safety for FRIUL INTAGLI are as follows:

- **employer responsible for safety:** he/she performs a coordination and management role, handling the company's strategic management, supported by the various internal departments; pursuant to art. 17 of (It.) Legislative Decree 81/08 he/she performs the assessment of risks at the workplace and appoints the health and safety officer;
- **proxy for safety:** he/she performs the tasks of art. 16 of (It.) Legislative Decree 81/08; moreover, he/she participates in the meetings of the Health and Safety Departments and has the necessary organisational autonomy, authority and responsibility to ensure that the processes needed for the safety management system have been put in place, implemented and updated / to identify the issues that affect safety at the company / to report the issues to the management levels / to check the implementation and effectiveness of the corrective actions taken / to report amendments or additions to the safety manual and to the related procedures / to ensure the promotion of occupational health and safety requirements throughout the company's organisation;
- **sub-proxy for safety:** at the Local unit, he/she performs the tasks of art. 16 of (It.) Legislative Decree 81/08; he/she has the necessary organisational autonomy, authority and responsibility to ensure that the processes needed for the safety management system have been put in place, implemented and updated / to identify the

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issues that affect safety at the company / to report the issues to the management levels / to check the implementation and effectiveness of the corrective actions taken / to report amendments or additions to the safety manual and to the related procedures / to ensure the promotion of occupational health and safety requirements throughout the company's organisation;

- **manager of the Occupational Health and Safety Management System:** he/she collaborates with the Management and with the Health and Safety Officer in setting the objectives and structuring the company's policy; he/she drafts the Occupational Health and Safety Management System (OHSMS) Manual, the procedures and instructions of the OHSMS; he/she assesses the related non-conformities; he/she ensures and checks that the system is applied and maintained active; he/she identifies the need for personnel training; he/she increases employee awareness of and trains employees on the OHSMS procedures; he/she selects, reviews and interprets legal provisions on occupational health and safety; he/she performs the annual conformity audit; he/she checks compliance with the planned operational controls;
- **Health and Safety Officer:** the person with the abilities and professional requirements of article 32 of (It.) Legislative Decree 81/08;
- **company doctor:** physician who holds one of the qualifications and meets the education and professional criteria of art. 38 of (It.) Legislative Decree 81.08;
- **workers' representative for safety:** person chosen or appointed to represent workers on matters of occupational health and safety;
- **members of the fire emergency and first aid team:** duly trained persons in accordance with the provisions of (It.) Legislative Decree 81/08 and (It.) Ministerial Decree of 10.3.98, tasked with managing First Aid emergencies and Fire management emergencies in compliance with the Company's Emergency Plan;
- **executives:** person who, by virtue of their professional skills and within the limits of the hierarchical and functional powers suitable for the nature of the assignment conferred thereto, implements the directives of the employer, organising the work and supervising it;
- **supervisors:** persons who supervise and monitor compliance by the individual workers with their legal obligations, as well as with the company's provisions on occupational health and safety and the use of collective means of protection and personal protection equipment; they check that only workers who have received adequate instructions access the areas that expose them to a serious and specific risk; they require compliance with the measures for controlling risk situations in case of emergency; they inform as soon as possible the workers exposed to the risk of a grave and immediate hazard on the risk itself and the measures taken or to be taken for their protection; they refrain, subject to exceptions, from asking workers to resume their activities in a situation where the serious and immediate risk persists; they promptly report to the employer or to the executive both shortcomings of the work means and equipment and protection equipment and all other hazardous conditions;

The Supervisory Body will be constantly kept up-to-date by the persons responsible identified at any given time on changes to the proxy system, as decided by the Board of Directors jointly with the operational departments involved.

## **5.2 Continuous identification of hazards, their assessment and implementation of the required control measures.**

Without prejudice to the provisions above, for the purposes of continuous identification of hazards, their assessment and the implementation of the required control measures, FRIUL INTAGLI, in the context of the Occupational Health and Safety Management System, has adopted specific procedures that the employees of FRIUL INTAGLI (Consultants, Shareholders and Partners to the degree necessary for the functions they perform) must apply and with which they must comply. These procedures are constantly updated by the Health and Safety Officer.

## **5.3 Definition, documentation and communication of roles, responsibilities and powers of those who manage all activities liable to affect risks to health and safety**

For the purpose of defining, documenting and communicating the roles, responsibilities and powers of those who manage, perform and audit activities that affect the risks to health and safety, FRIUL INTAGLI has also adopted a specific organisation chart of the executives and supervisors of each Unit.

For the tasks and responsibilities, please see the provisions of the Occupational Health and Safety Management System Manual and of the other corporate documents to which reference is made.



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#### 5.4 Definition of the skills required from those who must perform tasks liable to have an impact on safety

The persons who perform tasks that may have consequences for safety must have the necessary skills: these preparations must be defined in terms of education, training and/or suitable practical experience. To make sure that these skills are present, FRIUL INTAGLI has prepared information, education and training activities as set forth by (It.) Legislative Decree 81/08, addressed to its own employees (workers, supervisors, executives).

This plan is envisaged by the Occupational Health and Safety Management System Manual and is structured along the following areas of intervention:

- **inform** Employees/workers and/or their representatives in the Undertaking and/or the establishment with regard to:
  - risks to health and safety concerning the Undertaking and/or the establishment in general or each type of workplace and/or role;
  - the preventive and protective measures and activities concerning the Undertaking and/or the establishment in general or each type of workplace and/or role, and, specifically, the measures adopted on first aid, fire fighting, evacuation of workers;
- **train** each worker on health and safety matters, with appropriate related information and instructions related, in particular, to their workplace or their role at least:
  - when they are hired;
  - when they are transferred or change roles;
  - on introduction of changes in work equipment;
  - on introduction of new technologies.

#### 5.5 Dissemination of information on health and safety to the employees and other stakeholders

In order to guarantee the dissemination of information on occupational health and safety in the work environment, the Company will organise periodic information activities for Employees and supervisors, aiming to inform them on and clarify their rights and duties, with reference to the regulatory framework on safety.

Further, FRIUL INTAGLI will implement programmes that set the means through which the health and safety officer performs periodic inspections of the various corporate areas.

The Company will periodically organise meetings with occupational health and safety supervisors, with the main objective of continuously improving the level of protection and prevention at the Company.

#### 6. The audits of the Supervisory Body

The Supervisory Body periodically performs random controls of sensitive Activities, aiming to check their compliance with the rules of this Model.

Specifically, the Supervisory Body, with the support of the competent departments, audits the delegation and proxy system in force and their consistency with the organisational communications system, recommending possible changes, if the management power and/or the qualification does not correspond to the representation powers conferred to the proxy or if there are other irregularities.

In light of the supervisory activity assigned to the Supervisory Body, this Model guarantees said body access to all corporate documentation that it may deem of relevance in order to monitor the sensitive Activities identified in this Special Part.