

CLIVET S.P.A.

Organization, Management and Control Model - General Part

ex LEGISLATIVE DECREE June 8th 2001 n. 231 and ss.mm.ii.

Adopted by the Members of the Administrative Council, in the general Meeting of the 28th of March 2019

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1. THE LEGISLATIVE DECREE N. 231/2001

1.1. Summary of the legislation

No. 231 of the Legislative Decree 8 June 2001, introduced for the first time, the C.D., in to the Italian legal system. These are administrative liabilities of Entities in relation to predetermined crimes (presumed) which were committed, in the interest or advantage of the Entity, by: specific individuals, Senior Management Staff, Supervisors, Employees or other individuals, who in one way or another, carry out functions on behalf of the Entity itself. This responsibility is added to the criminal liability of the individual person who significantly carried out the unlawful act. Such an individual will be held liable, even in situations where the said individual claims to have acted autonomously.

Such an individual will principally include the following:

- Members of Senior Management: This is defined as individuals such as Directors of a Company or one of the Special Counselors of the Company. In other words, those whose job duties are detailed substantially in the representation, the administration, and the management of the Company, or, one of its organizational units. An essential characteristic for individuals in Senior Management positions is that they must possess real managerial and decision-making autonomy, and they must have;
- A "Subordinate": These are defined as Employees, the Collaborators, the Secretarial Staff, etc.. In other words, these are individuals; who are subject to the supervision of other individuals whose job description and activities are dependent on other individuals who occupy Senior Management positions. Subordinate are individuals who have no decision-making and organizational autonomy.

The objectives which the Legislation intends to pursue, is to involve the assets of the Company, and ultimately, the economic interests of the shareholders, in the punishment of some criminal offenses, carried out by certain individuals in the interest or to the advantage of the Company. This is in order to attract interested parties to a greater degree of control of regularities, and the legality of the operations of the Company, as well as to serve as preventive measures in respect of the commission of such crimes.

In accordance to the principle stated within the Law, only those crimes expressly referred to in the Legislative Decree 231/2001 can create a liability for Institutions. Since the entry of the Decree in force, Legislators have intervened on several occasions, in a bid to expand the scope of application of the legislation.

The details of the crimes, that determine the application of the Legislative Decree 231/2001, are contained in Annex A - List of offenses 231, and are regularly updated from time to time.

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1.2. The adoption of the Organization, Management and Control Model as a prevention tool and exemption of liability for the company

The law¹ exempts from liability, the Entity which; can demonstrate that, before the commission of the crime, it had adopted and effectively implemented organizational, management and control models suitable for preventing the realization of the criminal offenses being considered². This exemption operates differently, depending on whether the crimes are committed by individuals in Senior Management positions or individuals who are subject to the management of the latter³.

Regarding the hypothesis of crimes committed by **individuals in Senior Management positions**⁴, the exclusion from liability essentially postulates three conditions:

- that the system of internal procedural rules constituting the model has been formally adopted;
- that the model is abstractly suitable for the "*prevention of the kind of crimes that have occurred*";
- that this model was effectively implemented before the act was committed⁵.

Other legal conditions can be considered as specifications of the requirements of suitability and effective implementation of the model, or represent a confirmation of the effective implementations of the model.

These legal conditions must however reflect:

- that the task of supervising the functioning, the observance, as well as the updating of the Model has been entrusted to a Body or an Organ within the entity, and that such a Body or Organ has been endowed with autonomous powers of initiative and control;

¹ Articles 6 and 7 the of the legislative decree 231/2001. (herein after referred to as Legislative Decree 231/2001)

² It is an exemption from liability, in that it serves to exclude the culpability (i.e. the subjective element necessary for the existence of the crime) of the entity in relation to the commission of the crime.

³ The positive effects of the adoption of the Models, are not limited only to the exclusion of the root cause of the liability of the Entity, in the event that the Entity had implemented the Model, prior to the commission of the said crime, by their Representatives, Managers or Employees. As a matter of fact, where the Model has been adopted before the commencement of any judicial proceedings, the said adoption of the Model may assist the Entity in the avoidance of the most severe penalties (art. 17(b) (and consequently prevent the publication of the judgment) and can also determine a significant reduction in the payment of financial penalties (art. 12). Even the simple declaration of intent in the implementation of the Model, together with other conditions may imply the suspension of any disqualifying precautionary measures, from being taken during the course of the judicial proceeding against the Entity (art. 49), as well as the revocation of the same, in the event that the Model was effectively implemented and all other conditions have been fulfilled (art. 49 and 50).

⁴ According to art. 5, individuals in Senior Management positions are, as a matter of fact, the holders of representative rights, the administration and the management of the Entity or of an autonomous unit. The Recipients of the provision will therefore be the Administrators, the Legal Representatives for any reason, the General Managers and the Directors of divisions with financial autonomy

⁵ Pursuant to art. 12.2 and art. 17 of the Legislative Decree 231/2001, The subsequent admittance of the commission of the crime, but prior to the declaration of the opening of the trial, entails a reduction of the punishment.

- that the Supervisory Body has not omitted in its supervision, or, has conducted insufficient supervision;⁶
- that the individual in Senior Management position has committed the crime by fraudulently eluding the organization and management models⁷.

In the cases of crimes committed by subordinates, the liability of the Entity arises, where the company has failed to comply with the obligations of management and supervision. Such non-compliance is excluded by the Law, (art. 7.2 of the Legislative Decree 231/2001), if the Entity has adopted and effectively implemented a model of organization, management and control that are suitable for the prevention of crimes of the kind that occurred.

Therefore, both in the cases of crimes committed by Senior Managers as well as by Subordinates, the adoption and effective implementation by the Entity, of the Organizational, Management and Control Model, is an essential condition. Even though the Model may not always be sufficient⁸, it is however a means for the Company to benefit, in the avoidance of direct liabilities.

1.3. The Code of Conduct for Trade Associations

The Law allows Trade Associations to identify general guidelines, called Code of Conduct, for the construction of organizational models. The Law, however, does not expressly refer to these guidelines as binding, nor as of presumptive regulatory value⁹. It is however quite clear, that a correct and timely application of these guidelines will become a reference point for making judicial decisions on the matter¹⁰.

In furtherance of the above stated, guidelines which were developed, drawn up and published by Confindustria (Italian Manufacturing Companies Association), where taken into due consideration, and have become effective guidelines. The said Guideline are in compliance with the n. 201 of the Ministerial Decree of 26 June 2003, which implemented the Legislative Decree in question.

⁶ In fact, only the evasion or a defective control system, can explain the commission of the crime, even in the presence of models that are abstractly suitable and effective.

⁷ As clarified by the Law (see Cassation, n. 4677/2014), the fraud to which Decree 231 refers, does not necessarily require real contrivance or deception, but presupposes that, the violation of the model is determined by a circumvention of security measures that are suitable to force its effectiveness. Furthermore, for crimes of a culpable nature, see further considerations made below.

⁸ Judicial decision on this matter is still being awaited.

⁹ As a matter of fact, the Law does not provide for an obligation, that the guidelines must be adopted by the organizations belonging to trade association nor a presumption for the judges during trials.

¹⁰ In the legislative provision, the adoption of an organization of the Management and Control Model is presented in terms of optional, not mandatory. So that failure to adopt the Model is not subject to any penalties. However, the adoption of a model is mandatory if an Entity wishes to avail itself of the benefits of the exemptions.

2. THE ORGANIZATIONAL, MANAGEMENT AND CONTROL MODEL PURSUANT TO LEGISLATIVE DECREE NO. 231/2001

2.1. Purpose and Construction Methodology and / or Updating of the Model

Although the adoption of the Organizational, Management and Control Model represents a right and not an obligation, CLIVET S.P.A. being mindful to the need of ensuring conditions of correctness, transparency and respect for the Law, in the conduct of its business and its activities, has considered its compliance with its corporate policy, and has therefore proceeded with the adoption and implementation of the Model. This has the dual purposes of adapting to the prevention purposes indicated by the Legislation, and of protecting from the negative effects which may arise as a result of; an unexpected application of penalties against the interests of the Members, of the Administrative Body and, ultimately, of the Company as a whole.

CLIVET S.P.A. also believes that the adoption of the Model constitutes an important opportunity to verify, to review and to integrate the decision-making, the application processes as well as its control systems of the Company. Thereby, strengthening the image of correctness and transparency, on which the business activities of the Company has been oriented.

To this end, the Administrative Body, with the assistance and consultancy of the corporate structures and external consultants, started the work of the analysis and preparation of the Model. A task work that was divided into the following phases:

- identification of corporate risk areas: this phase involved the identification of the operating processes in the various areas of company activities and it was done, by examining the relevant company documentation and carrying out targeted interviews with the key individuals within the Company structure, as well as verifying these operating processes in the light of the types of offenses envisaged by the Legislation in question (**mapping phase of corporate areas at risk and relevant crimes**);
- verification of existing operational and control procedures at company level and **identification of improvement actions**, identifying necessary / appropriate changes and additions (**assessment / construction / adaptation phase of the preventive controls system**);
- preparation of the Model, providing for the progressive and periodic updating of the individual operational procedures and business protocols.

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2.2. Objectives of the Model

With the adoption of the Model, the aim of CLIVET S.P.A. is to have a structured system of procedures and controls that potentially reduces and, or, eliminates the risks of committing relevant crimes and offenses in general, during processes that may be construed as “high risk processes”.

The commission of relevant crimes and unlawful conduct in general, is contrary to the norms established by the Company. The Company hereby reaffirms that, according to the provisions stated in the Code of Ethics, criminal and unlawful conduct always create liabilities for the Company, even if such unlawful conduct may have apparently and incorrectly been construed as having been in the interest, or for the benefit of the Company.

The Model, therefore, prepares the tools for; the monitoring of processes that consist of risk factors, for an effective prevention of unlawful conduct, for a timely business intervention against acts enacted in violation of company rules, and for the adoption of the necessary disciplinary measures of punishment and prevention.

Furthermore, the final preventive control system in this model is aimed at:

- excluding the possibility that any individual operating within the Company can justify their conduct on the grounds of ignorance of Company directives;
- avoiding situations where, in the normal course of work, the crime can be caused by human error (which may also be as a result of negligence or inexperience) in the evaluation of the directives of the Company.

2.3. The Principles of Preventive Control

This Model is based on the following general control principles:

- each operation, transaction, or, action must be verifiable, documented and consistent;
- no one can independently manage an entire process;
- the control system must document all checks that are performed.

CLIVET S.P.A. has its own system of control for the prevention of unlawful conduct, which is well structured and based, according to the types of crime described in the special part of the Model and also distinguished according to whether it is a criminal offense (with intent) or culpable crimes (without intent, and mainly related to occupational safety and environmental protection).

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2.4. Structure

This Model consists of this general part and a special part, which also consists of several attachments, each of which, is prepared in relation to the different types of offenses contemplated in the Decree, and periodically updated.

2.5. Verification and Updating of the Model

CLIVET S.P.A. has built this Model on the basis of the current configuration of business activities and operational processes. Since the Model is a tool aimed at responding to the Company's need for prevention and control, the Model must therefore provide for the periodic verification of the Company's compliance with the aforementioned needs. Thus, providing for additions and modifications that may become necessary from time to time.

Verification is also necessary whenever significant corporate organizational changes occur. This is particularly necessary in areas already identified as "high risk processes". The said verifications are carried out by the Supervisory Body which, if necessary, can avail itself of the collaboration and assistance of external professionals. This supervisory Body may then make a proposal to the Administrative Body, (who are charged with the responsibility for the adoption of the integrations and changes to the Model), about necessary or appropriate integrations and modifications that would be made from time to time.

3. THE INTERNAL SUPERVISORY BODY

3.1. Identification of the Supervisory Body

The Supervisory Body is a body of the Company which has been appointed by a resolution of the Administrative Body. It can be composed of a single member or may be composed of multiple members. In the event that a Supervisory Body consists of only one member, an external person, who is not a member of the corporate structure of the Company, maybe appointed. In other words, a freelance person. This freelance person may possibly avail himself of the use of an employee of the Company, in order to ensure the best flow of information between the Body and the members of the Company, as well as for the continuity of operations.

On the other hand, in a multi-member Supervisory Body, it is expected that at least one member must be chosen outside the Company¹¹.

The Supervisory Body must possess, for the entire mandate, the following requirements.

¹¹ Article 6.4(2) of the Legislative Decree 231/01, following the amendments made by l.n. 183/11 and by the Legislative Decree 212/11, states that "In the capital companies the Board of Statutory Auditors, the supervisory board and the Board of Statutory Auditors can perform the functions of the supervisory body".

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3.2. Requirements of the Supervisory Body

Decree 231 does not provide any specific requirements for the Supervisory Body. Notwithstanding this,, CLIVET S.P.A. in order to guarantee the Supervisory Body with autonomous powers of initiative and control, a move, which is in line with the recommendations of the Guidelines for most categories of Representative Associations, considers it appropriate that the Body itself meets the following requirements:

REQUIREMENT	WHAT DOES THAT ENTAIL?
AUTONOMY	<p>The Supervisory Body has autonomous powers of initiative and control, freedom of action and self-determination.</p> <p>The Supervisory Body is therefore not entrusted with operational tasks, which may jeopardize its objectivity of judgment and preserve it from forms of conditioning by the Company and in particular by the company management.</p>
INDEPENDENCE	<p>The Supervisory Body is completely free from conditioning with respect to the Entity. Its members must not be in conflict of interest with the Company.</p>
PROFESSIONALISM	<p>The Supervisory Body, as a whole, must have knowledge of inspection and consultancy matters so as to be able to effectively carry out the verification and control activity entrusted to it.</p>
CONTINUITY OF ACTION	<p>The Supervisory Body, as a whole, has a mandate such (generally multi-year) to guarantee effective supervision for a consistent period of time, to assess any anomalous situations.</p> <p>Where composed only of external members, it usually has an internal secretariat and tools (such as a dedicated e-mail box) to facilitate the planned flow of information and thus guarantee the SB to promptly identify any anomalous situations.</p> <p>The Supervisory Body meets periodically, scheduling the activities and documenting them.</p> <p>The control and monitoring action is carried out with dialectical reasoning, and interaction with the management and the members of staff.</p>
HONORABILITY	<p>Individual members of the Supervisory Body must:</p> <ul style="list-style-type: none"> - possess all the requirements of integrity pursuant to art. 2 paragraph(1)(a)(b) and (2) of the Ministerial Decree 162/2000; - in cases ineligibility, must not reapply for re-entry. See Art. 2382 of the Civil Code. Member must be in conflict of interest and / or must have no family relations with other members of the corporate bodies as well as with Senior Management. Art. 2399 of the Civil Code.; - - not be under investigation or to have been convicted of the offenses indicated in Decree 231/2001

3.3. Appointment of the Supervisory Body

The appointment usually takes place simultaneously with the first adoption of the Model, and after each natural expiry of the mandate, or, when it becomes necessary to incorporate or replace components during the mandate.

The appointment takes place by resolution of the Administrative Body. The proposed candidates must meet the requirements set out in point 3.2 above, and which must be verifiable by means of a personal curriculum.

The appointment will be for the duration of time stated in 3.4 below, except in the cases of replacement of a member during the mandate, in which case the appointment will expire at the same time as the original deadline envisaged for the other members. In cases where the supervisory Body is made up of a single member, the replacement will be considered for all intent and purposes, as a new appointment and the duration set forth in 3.4 below will apply.

The resolution of the Administrative Body is formalized in respect of each appointed member, by a letter signed by the legal representative of the Company. The letter is then presented to the interested parties who will sign for the acceptance of the appointment. In case of non-acceptance, the Administrative Body will assimilate the Supervisory Body, in accordance with all the procedures for appointment.

3.4. Tenure of office, Forfeiture and Revocation of the Supervisory Body

The Supervisory Body remains in office for a three-year period, starting from the date of the appointment by the Company's Administrative Body. In any case, in order to avoid an absence of the Body (vacation), the Supervisory Body will remain in office, until the date of the subsequent resolution of the Administrative Body which will provide for its replacement or confirmation.

The members of the Supervisory Body can be re-elected. The member of the Supervisory Body who intends to resign from the mandate before the deadline, must do so in writing, by a registered letter or via a certified electronic mail. The letter or electronic mail must be addressed to the legal representative of the Administrative Body and to the other members of the Supervisory Body, if in a multi-member Body. The resignation takes effect, unless otherwise indicated by the interested party or otherwise agreed with the Company, from the date of receipt of the letter, by the legal representative of the Administrative Body.

Furthermore, in order to guarantee its autonomy and independence, for the forfeiture or revocation of the mandate, the following rules are observed according to the type of the Supervisory Body.

The Administrative Body, with a justified resolution, may declare the forfeiture of the mandate of a member, of the Supervisory Body, where the prerequisites of autonomy, independence, integrity, professionalism and the continuity of actions necessary for the exercise of this duty, have failed. Or, when causes of manifest incompatibility have occurred. The forfeiture takes immediate effect.

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The Administrative Body may also revoke, before the natural expiry date and through a justified resolution, the mandate of the members of the Supervisory Body, if there is a serious omission in the performance of the tasks assigned to them, or, there is manifest negligence or inexperience in carrying out the same. The revocation takes immediate effect.

The dismissal of the employee who may be part of the Supervisory Body, for the entire duration of the mandate and for the six months following the termination of the same, as well as for resignation, may take place only for a just cause or justified reason, in accordance to the Law, and will be, in the latter two cases, submitted for ratification by the Administrative Body.

The termination of employment relationship with the Company by an employee, for whatever reason, determines simultaneously, the forfeiture of the employees position as a member of the Supervisory Body, unless otherwise decided by the Administrative Body.

3.5. Functions and Duties of the Supervisory Body

The Supervisory Body is endowed with relative powers of initiative and control as well as the following independent duties and functions:

- a) to monitor the effectiveness of the Model, which is substantiated i.e. in the verification of the consistency between the concrete behaviors of the recipients and the established Model;
- b) to supervise the maintenance, over time, of the requirements of suitability for preventive purposes; to ensure the active updating of the Model: to ascertain whether or not, the analyzes carried out warrants the making of corrections and adjustments, through the formulation of suggestions and proposals for adaptation to the administrative body, where necessary as a result of:
 - i. significant violations of the provisions of the Model,
 - ii. significant changes to the internal structure of the company and / or business activities or other related procedures,
 - iii. regulatory modifications that change the risk factors for the company;
- c) if any violations of the Model that are capable of incurring liabilities for the Company are ascertained, such violations must be reported to the competent corporate organ, for the appropriate measures;
- d) to receive reports of illegal conduct relevant to the Decree or of violations of the Model, and to treat them in accordance with the provisions of the Law and the specific "procedure for Whistle blowing";
- e) on the subject of anti-money laundering legislation (Legislative Decree 231/2007), to fulfill the obligation of general supervision on the compliance with the provisions of the Model for the prevention of financial crimes and, where it ascertains the existence of violations in this regard, to carry out the communications required by Law to the Authorities.

3.6. Powers of the Supervisory Body

The Supervisory Body, in order to carry out the aforementioned tasks, is given autonomous powers of initiative and control.

The Supervisory Body has free access to all the members of CLIVET S.P.A., in order to obtain any information strictly necessary for the performance of its duties, without prejudice to the duty to observe the prohibition of communicating and / or disseminating the information and / or data acquired, except in the event that such communication and / or dissemination are requested by the Police Force, by Judicial Authorities, by Security Agencies or by other public Offices, for the purposes of defense or state security, or for the prevention, the detection or the repression of a crime, or, again, for the purposes of anti-money laundering legislation. Without prejudice, in any case, to the limit the circulation and dissemination of sensitive data pursuant to the regulations for the protection of privacy.

The activities being carried out by the Supervisory Body, if it is in conformity with the task received, cannot be syndicated by any other corporate body or structure.

3.7. The Flow of Information to the Supervisory Body

In compliance with the provisions of Model 231, the flow of information to the Supervisory Body, in terms of notices and / or documents, both of a general and specific nature for each area of crime risk, is a responsibility borne by members of the Company. Depending on the type and relevance of the information in the Model, different times are envisaged. In other word, timely or periodic communication have different deadlines for communicating such information to the Supervisory Body.

In particular, and in line with the generality of the above stated, the following information and / or specific documents, as well as the specific flow of information provided for in the Special Parts of the Model, are subject to being communicated to the Supervisory Body, by the Managers of each Company Unit / Department. (NB : Where the Manager fails to communicate the above stated, such failure will be deemed as equivalent to a null and void communication, and will thus be interpreted and understood to be communication with the absence of information / documents and the flow of information):

- a) the decisions relating to the request, disbursement and use of loans or public contributions;
- b) the requests for legal assistance made by the Executives and / or Employees against whom judiciary proceeding are being held, for the crimes referred to in Legislative Decree 231/2001;
- c) the measures and / or the notices originating from judicial police organs, or from any other authorities, from which it is being inferred that investigations are being carried out. These measure and notices will also be in respect of unknown persons, for the crimes stipulated in the aforementioned Legislation;

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- d) the reports prepared by the Heads of Departments of the Company, in the context of their monitoring activities. It is from these prepared reports that facts, acts, events or omissions as well as critical issues with respect to compliance with the aforementioned Legislative Decree may emerge;
- e) the notification relating to the effective implementation of the Organizational Model at all levels of the Company, with evidence of the disciplinary procedures carried out and of any penalties imposed, or the measure taken to resolve such proceedings, as well as all the reasons for the same;
- f) notifications related to inspections by Public Bodies;
- g) any potential or possible anomalies resulting from the outcomes of the first and second level controls, including formalized audit activities carried out within the Company, by internal or external organizations, and within the management systems in place;
- h) notifications relating to concession or authorization procedures that are in any way connected to the exercise of the Company's activities, including any requests for financing or benefits, initiated from public organisations;
- i) the periodic reporting on occupational safety;
- j) notifications concerning accidents at work or accidents which cannot be ignored or are non negligible due to consequences or modalities, or relative to requests for recognition as occupational hazards;
- k) other information provided in the context of the operational procedures of the Model (Special Parts).

In addition, each Internal Manager must:

- make available, all evidence of the application of all identified procedures of the Company and the underlying supporting documentation, to the Supervisory Body;
- report to, and request the assistance of the Supervisory Body, for any situation that is deemed to be non-compliant with the relevant company rules, or, where an anomalous situation, is at risk of creating one of the offences related to this special part, is evident.

The Supervisory Body can, at its discretion take steps: to carry out checks, to carry out verifications and inspections, to carry out sample checks, and based on alerts, may carry out controls on the phases of each operation that is deemed to be a "high risk process". The Supervisory Body will as much as possible, avoid interfering in the corporate decision-making processes of the Company, but, will promptly intervene with every tool at its disposal, in the prevention and, if necessary, the repression of any conduct that is contrary to the Rules of the Company.

Any recipient of the Model may also make any reports or communications to the Supervisory Body, concerning alleged violations of the Model or situations deemed to be unsafe. Reports or communications to the Supervisory Body may be sent:

- to a specific e-mail address, made known and available to the Supervisory Body
- to the address of each of the members of the Supervisory Body or to the same at the address of the Company.

Each report is shared within the Supervisory Body, who will examine the allegation in the report, and, if necessary, carry out specific investigations. The Supervisory Body, on the basis of provision of the Model 231, guarantees the confidentiality of the report, without prejudice to the legal obligations regarding communications to the Authority.

3.8. Reporting offenses or violations of the Model – Whistle-blowing.¹²

Members of Senior Management Staff or Subordinate Staff Members may, in order to safeguard the integrity of the Company, transmit to the Supervisory Body, detailed reports of relevant illegal conduct that have been prescribed by the Decree. These reports must be based on precise and concordant facts about the violations of the Model, which have come to their knowledge, as a result of activities being carried out during the course of work.

Non disclosure of the identity of the Whistleblower who has reported the violations is guaranteed. Anonymous reports do not generate obligations of confidentiality, and will only be taken into consideration if the reports are adequately detailed. In other word, such reports must be able to clearly state out the facts and situations in relation to those specific contexts.

Direct or indirect acts of retaliation or discrimination against whistleblowers, for reasons connected, directly or indirectly to reports about violations, are prohibited. The violation of this prohibition constitutes a disciplinary offense that involves the application of the penalties provided for in Annex B of

¹² Legislation 179/2017, which entered into force on the 29th of December 2017, introduced this regulation with respect to Whistleblowers, into the Code. The Regulation is aimed at protecting employees who report irregularities and abuses which they come across, during the course of their working activities, and with respect to work. In particular, Article 6.2 D.Lgs. 231/2001 has been modified, and now requires that, Organizational Models must provide for: "a) one or more channels that allow the individuals indicated in article 5.1(a)(b) to present, in order to protect the integrity of the entity, circumstantial reports of unlawful conduct which are relevant to the conducts stated in this Decree. Such said reports must be based on precise and concordant facts, or on violations of the organizational and management model of the entity, of which they became aware due to the job functions being performed. These channels must guarantee the confidentiality of the identity of the person reporting the said violations during the management of investigations; c) the prohibition of direct or indirect retaliation or discrimination, against the whistleblower for reasons connected, directly or indirectly, to the alert; d) in the disciplinary system adopted pursuant to paragraph 2(e), penalties will be awarded against those who violate the measures for the protection of the whistleblower, as well as those who carry out fraudulent or grossly negligent reports that prove to be unfounded ". Pursuant to paragraph 2.3, "The adoption of discriminatory measures against the individuals who make the reports referred to in paragraph 2.2 can be reported to the Inspectorate of National Labor (for matters within the jurisdiction of the Inspectorate), by the informant, as well as by the organization of unions indicated in the Regulation". Finally, paragraph 2.4 provides that "the retaliatory or discriminatory dismissal of the reporting party is null and void. Pursuant to article 2103 of the Civil Code, the changing of duties as well as any other retaliatory or discriminatory measure adopted against the informant are also null and void. Following the presentation of the report, the employer has the burden of proof to demonstrate that any measures taken against a whistleblower, are based on reasons extraneous to the report. This burden of proof arises, in the event that disputes occur from the imposition of disciplinary sanctions, or demotion, or termination of work, or the transfer, or the submission of the whistleblower to other organizational measures, which have a direct or indirect negative effects on working conditions ".

the present Template. Furthermore, to willfully or with gross negligence provide information and reports which prove to be unfounded, constitutes a disciplinary offense, and all the penalties provided for in Annex B to this Model will be applicable.

It is not the duty of the Supervisory Body to signal, warn, or to make recommendations on conducts, actions or facts, other than those relevant and provided for by the Decree or the Model.

3.9. Communications on the part of the Supervisory Body

The Supervisory Body will provide periodic reports, and, when and if necessary, will provide reports in respect to all checks and verifications carried out.

The Supervisory Body must keep the Administrative Body informed at all times, through its legal representative:

- by means of a periodic report, normally, on an annual basis, on all issues relating to the progress of the program of periodic sample checks, as well as, on the state of the implementation of the Model. The obligation to report periodically to the Administrative Body may also be fulfilled through the transmission and / or periodical provision of the minutes of the meetings of the Supervisory Body;
- promptly, about significant breaches found in respect to the Model, which may lead to the hypothesis of the risk of the commission or attempted commission of crimes, which are applicable to the provisions necessary for the application of Decree 231. The obligation to report may be fulfilled by the Supervisory Body, during the Shareholders' Meeting, when there is a majority of the members.

Finally, if the violations concern the legal representative of the Company, the entire Administrative Body or the majority of its members, the Supervisory Body may contact the Share holders of the Company.

Without prejudice to the autonomous powers of initiative and control of the Supervisory Body, the Administrative Body has the right to request further information from the Supervisory Body regarding its activities. This faculty also belongs to the Board of Share holders.

The Supervisory Body will keep records of the meetings with the bodies to which it reports, by drafting and preserving the specific report.

Pursuant to the provisions of the Law, the obligations of direct communication by the Supervisory Body to the Authorities, in regards to the repression of money laundering, is an exclusive and reserved obligation

3.10. Financial Resources

In order to strengthen the autonomy and independence of the Supervisory Body, adequate endowment of financial resources will be made available by the Administrative Body, in accordance with the Company's procedures for creating its corporate budget. The Supervisory Body will be able to use and to dispose of the said financial resources autonomously, for every exigency that is deems necessary to carry out its activities. In this context, the Supervisory Body will therefore have the right to directly commit the financial resources to its activities, but, in accordance to the organizational procedures established by the Company in the field of business accounting, with the obligation of reporting only. If the Supervisory Body deems the available budget insufficient, it will forward a specific motivated communication to the Administrative Body through the legal representative, who will take care of it.

4. CIRCULATION OF THE MODEL AND FORMATION OF RESOURCES

4.1. Member of Senior Management and Employees

This model is the object of communication to all Company members that are subject to the Model. and it is being communicated according to defined methods and stipulated time for the facilitation of acquiring maximum knowledge of the Ethical Rules that the company has decided to adopt.

The Model is available and viewable in its entirety at the headquarters of CLIVET S.P.A. and is available to anyone with the right to consult it.

Furthermore, the Supervisory Body, in agreement with the Departments within the Company, recommends training / information programs for corporate members, based on their positions, for those in authority and those who are assigned with delegated authority, as well as for the level of risk in the areas in which they operate within the Company.

4.2. The Rules Applicable to External Consultants / Collaborators

CLIVET S.P.A. provides information to individuals that operate on behalf of the Company, under the supervision and coordination of Corporate Heads. In particular, to Consultants and / or external collaborators in various capacities, who operate in areas and in activities which carry a degree of risk, in respect of the existence of the Ethical Rule and procedural issues of interest.

In the contractual relationships with these individuals, specific company protection clauses are inserted, which allow for the termination of the said contractual relationship in cases of contravention of the aforementioned ethical and procedural rules.

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5. DISCIPLINARY SYSTEM

As expressly required by law, an adequate system of punishment, which is proportionate to the violation committed, and with priority being placed on preventive purposes, has been provided for in respect to the violation of the rules of the Code of Ethics as well as the procedures provided for by the Model.

The application of disciplinary measures are independent of the outcome (or of the commencement) of criminal proceedings for individuals, since the violations of the Code of Ethics and the Model adversely affect the relationship of trust established with CLIVET S.P.A.

The details of the Disciplinary System are contained in Annex B (Disciplinary System), which are updated from time to time and disseminated in compliance with the provisions of the Law, such as for example, art. 7 of Law 300/1970 or Workers' Statute, and of the constitutional principles of the right to defense and proportionality between violation and punishment.

6. THE CODE OF ETHICS

The adoption by the Company, of the principles of ethics, which are enshrined in the Code of Ethics, are relevant for the purposes of transparency and correctness of its business activities. The said adoption of the Code of Ethics is useful for the prevention of the crimes stated in the Legislative Decree 231/2001, as well as being an essential element for the system of preventive control.

These principles are included in the Code of Ethics, which is an integral part of this Model. It is a document that has been formally adopted by the Board of Directors of the Company, and furthermore, contains the set of rights, duties and principles of ethics which have been adopted by the Board towards "stakeholders" (employees, suppliers, customers, Public Administration and third parties).

CLIVET S.P.A. aims to recommend, to promote and, or, to prohibit certain conduct, beyond and regardless of what is required by Regulations. Therefore, defining the principles of "corporate ethics" that CLIVET S.P.A. recognizes as its own and to which it calls for the observance by all Recipients.

ATTACHMENTS:

- **Annex A: List of crimes 231**

- **Annex B: Disciplinary system**

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