

# PROCEDURE

## “Whistleblowing System”



## REVISED VERSIONS OF DOCUMENT

Version	Date	Drawn up by	Checked by	Description of updates
1.0	10/12/2018	OdV		Draft of procedure

## TABLE OF CONTENTS

1. Introduction	<b>Errore. Il segnalibro non è definito.</b>
2. Object and purpose of document	4
3. Scope of application	5
4. Reference documents	6
5. Reporting whistleblowing system pursuant to Legislative Decree 231/2001	6
5.1 Reporting subjects	<b>Errore. Il segnalibro non è definito.</b>
5.2 Reported Subjects	<b>Errore. Il segnalibro non è definito.</b>
5.3 Object of the report	<b>Errore. Il segnalibro non è definito.</b>
5.3.1 Actions, deeds and conduct that may be reported	7
5.3.2 Prohibited Reports: conduct that cannot be reported	9
5.3.3 Form and minimum contents of the report	10
5.4 Reporting Channels	<b>Errore. Il segnalibro non è definito.</b>
6. General principles and protection	<b>Errore. Il segnalibro non è definito.</b>
6.1 Protection of the Reporter	<b>Errore. Il segnalibro non è definito.</b>
6.2 Protection of the Reportee	<b>Errore. Il segnalibro non è definito.</b>
6.3 Confidentiality and secrecy	13
6.4 Personal data processing	<b>Errore. Il segnalibro non è definito.</b>
6.5 Feedback and involvement of the Reporter	144
7. Reporting/Whistleblowing management process as per Legislative Decree 231/2001	144
7.1 Receiving and managing the report	155
7.1.1 Preliminary assessment and classification of the Report	155
7.2 Escalation in the event of Reports concerning senior company management	177
7.3 Internal controls and enquiries	<b>Errore. Il segnalibro non è definito.</b>
7.4 Conclusion of the process	188
7.5 Reporting to Senior Management	19
7.6 Filing away and storage of Reports	<b>Errore. Il segnalibro non è definito.</b>
8. Violations of this Procedure	200

## 1. Introduction

Law no. 179/2017 entitled *“Provisions for the protection of people reporting crimes or irregularities they have witnesses as part of their public or private working relationships”* introduced a number of amendments to Art. 6 of Legislative Decree 231/2001 providing for guarantees and protection to be put in place for anyone reporting illegal conduct relevant for the purposes of Legislative Decree 231/2001 or events or conduct in breach of the Organisation, Management and Control Model adopted by Electrolux Appliances S.p.A. (hereinafter “Company”).

In the light of the afore-mentioned legal provisions, Electrolux Appliances S.p.A., which already had an Organisation, Management and Control Model pursuant to Legislative Decree 231/2001 (hereinafter “231 Model”), modified the same 231 Model and revised the reporting system in order to co-ordinate the reporting system already in use with the new regulatory requirements.

## 2. Object and purpose of document

In order to effectively prevent and combat fraudulent behaviour and unlawful or irregular conduct and implement the provisions set out in the 231 Model concerning “Information flows with regard to the Supervisory Body” the establishment a system of “Whistleblowing” was envisaged, as identified in more detail in Paragraph 3 hereunder, relating to:

- **Unlawful conduct relevant for the purposes of Legislative Decree 231/2001;**
- **Behaviour that violates the 231 Model and/or Code of Conduct**

The objective of this Procedure is to define and manage such reporting made through the communication channels established and available, as well as set out the forms of protection that are guaranteed for persons making reports in compliance with provisions provided for by legislation in force concerning “Whistleblowing”.

For this purpose, this document specifically:

- defines the scope of application of the Procedure and Reporting process;
- identifies the subjects that may make Reports;
- sets the boundaries for the conduct, occurrences or actions that may be subject to Reporting;
- identifies the channels through which Reports are to be made;

- identifies and establishes the principles and general rules governing the Reporting process, including therein the protection of the Reporter and Reportee, as well as the consequences of any abuse of the use of the established channels;
- defines the process for managing the Report in its various stages, identifying the roles, responsibilities, and the operating procedures and tools used.

It is to be noted that the Electrolux Appliances S.p.A. Supervisory Body shall be the Recipient of the Reports in question.

It must also be noted that, regarding reports of violations of the Code of Conduct, these may also be made using the Electrolux Group “Ethics Helpline”, to which the Code of Conduct refers.

### 3. Scope of application

This procedure applies to Electrolux Appliances S.p.A. In particular, the persons to whom this procedure applies are those to whom the 231 Model applies, as expressly provided for by the 231 Model itself. Moreover this procedure may also apply, though limited to the relevant aspects of guaranteeing and protecting the reporting and reported subjects, to other possible third parties (eg. external consultants) involved by the Company in the checking and enquiry activities set out in Paragraph 7.2.

Term used	Description
<b>Company</b>	Electrolux Appliances S.p.A.
<b>231 Model</b>	Organisation, Management and Control Model pursuant to Legislative Decree 231/2001 adopted by the Company.
<b>Reporting Subject (or “Reporter”)</b>	The persons to whom the 231 Model applies, as provided for in the General section of the 231 Model and, specifically, members of corporate bodies, employees (including when seconded by and/or to other companies within the Electrolux Group) and collaborators who supply the Company with goods and services (auditors, consultants, agents, distributors, suppliers, partners, etc.).
<b>Reported Subject (or “Reportee”)</b>	Members of company bodies, employees (including therein managers), collaborators from outside the Company or third parties (such as agents, distributors, suppliers, partners, clients, etc.) with whom the Company works or maintains commercial and business relations. This category may also include one or more members of the Company’s Supervisory Body.

<b>Report</b>	Notification made by the Reporting Subject, either openly or anonymously, in writing, using one of the channels for reporting unlawful conduct relevant for the purposes of Legislative Decree 231/01 or facts or behaviour in violation (or alleged violation) of the 231 Model or Code of Conduct.
<b>Supervisory Body</b>	The Supervisory Body nominated by the Board of Directors of the Company as an independent and autonomous body appointed to ensure compliance with the 231 Model and Code of Conduct. <b>The Supervisory Body is the Recipient</b> , for the purposes of the aforesaid documents and this Procedure, <b>of the Reports</b> as well as of any other information flows specifically considered in the 231 Model.
<b>Code of Conduct</b>	The Code of Conduct adopted by the Electrolux Group, which forms an integral part of the 231 Model.

## 4. Reference documents

- Electrolux Appliances S.p.A.'s Organisation, Management and Control Model in accordance with Legislative Decree June 2001, no. 231;
- Electrolux Code of Conduct
- "Regulations, procedures and disciplinary sanctions for company personnel" document (so-called Disciplinary Code);

## 5. Reporting/whistleblowing system pursuant to Legislative Decree 231/2001

### 5.1 Reporting Subjects

Reports may be made by both company personnel and subjects external to the Company. In particular, Reporting Subjects are those to whom the 231 Model applies, as provided for in the General section of the 231 Model and, specifically, the members of corporate bodies, employees (including when seconded by and/or to other companies within the Electrolux Group) and collaborators who supply the Company with goods or services (auditors, consultants, agents, distributors, suppliers, partners, etc.).

## **5.2 Reported Subjects**

The conduct to which the Report (as defined in more detail in Paragraph 5.3 “*Object of the Report*” hereunder) refers may concern members of company bodies and the supervisory body, employees (including therein managers) and collaborators from outside the Company, or third parties (such as agents and business procurers, contractors/suppliers/consultants, clients, etc.) with whom the Company operates or maintains commercial and business relations.

## **5.3 Object of the Report**

The Reporting Subjects may provide information, as long as it is **substantiated** concerning:

- Unlawful conduct relevant for the purposes of Legislative Decree 231/01 based upon factual elements that are precise and consistent and therefore ascribable to any crime or attempted crime included in the list of crimes contemplated by Legislative Decree 231/01. For example: corruption of public officials or representatives of a public service, embezzlement against the State, impeding public supervisory bodies from exercising their functions, corruption amongst private individuals, criminal conspiracy, untrue corporate communications, laundering, receiving stolen goods, self-laundering, stock manipulation, commercial fraud, criminal offences regarding health and safety in the workplace, environmental crime, crime against individuals, computer crime offences.
- Violations of the 231 Model or the Code of Conduct adopted by the Company, undertaken by Reported Subjects and which came to their knowledge as a result of the functions performed. Such conduct, although not falling within the criminal offences for the case in point relevant for the purposes of Legislative Decree. 231/01, may for example concern violations of the Special sections of the 231 Model or other prevention protocols (in other words, the principles of behaviour and control procedures that govern carrying out sensitive activities) including therein the internal provisions, deeds and operating procedures adopted by the Company that constitute the implementation of the contents of the 231 Model.

### **5.3.1 Actions, deeds and conduct that may be reported**

In order to facilitate the identification of deeds that may be subject to Reporting, here below is a list, by way of example and not exhaustive, of relevant conduct/behaviours:

- falsification, alteration, destruction, withholding of documents;
- administrative irregularities and irregularities in accounting and tax requirements or in the preparation of the Company's financial statements;
- behaviour directed at impeding control activities by the Supervisory Authorities (eg. failure to pass on documentation, presentation of false or misleading information);
- handing over of a sum of money or conceding another benefit to a public official or public service officer in return for the exercising of his functions (eg. to facilitate a practice) or to perform an act that is contrary to his official duties (eg. failure to draw up a notification statement for tax irregularities);
- promising or handing over money, goods, services or any other benefit with the aim of corrupting suppliers or clients;
- violations regarding health and safety at work and protection of the environment;
- agreements with suppliers and consultants to make inexistent services appear as if provided;
- falsification of expense reports for the purpose of creating resources for unlawful activities (eg. "inflated" reimbursements or for false travelling expenses);
- conduct that may constitute stock manipulation for the purpose of altering the price of company shares, fraudulent conduct with regard to clients;
- conduct that violates the Electrolux Group Policies & Guidelines;
- conduct that violates the Company's regulations and Operating Procedures.

The Reports must not concern mere suspicions or pieces of news merely referred by third parties or which do not have any elements of fact or unambiguous documents to support them.

However, it is not necessary for the Reporting Subject to be sure that the reported facts have effectively occurred or about the perpetrator of such, it being sufficient that, based on one's knowledge and in good faith, in other words on the basis of a reasonable conviction founded on elements that are factual and substantiated, he or she considers it highly likely.

In this perspective, Reports should be as substantiated as possible and provide the greatest amount of detail in order to allow the necessary checks to be carried out so as obtain adequate evidence.



Moreover, if the Report concerns possible unlawful conduct relevant for the purposes of Legislative Decree 231/01 (criminal offences or attempted criminal offences) it should be borne in mind that these must be based on precise factual elements (in other words, not liable to different interpretations) and consistent (in other words, all pointing in the same direction).

### **5.3.2 Prohibited Reports: conduct that cannot be reported**

The Report must not adopt an insulting tone or contain personally offensive language or moral judgements aimed to offend or undermine the honour and/or personal and/or professional standing of the person or persons to whom the reported facts refer.

In particular it is prohibited to:

- use insulting expressions;
- send Reports for purely defamatory and slanderous purposes;
- send Reports that relate exclusively to aspects of the Reported Subject's private life, without any direct or indirect connection with his company/professional activity;
- send Reports of a discriminatory nature, in that they refer to the sexual, religious or political orientation, or the racial or ethnic origins of the Reported Subject;
- send Reports made for the sole purpose of damaging the Reported Subject.

It is also pointed out that it is prohibited and punishable, in compliance with the Disciplinary Code, to send Prohibited Reports made with intentional wrongdoing or gross negligence in other words which can be considered manifestly unfounded.

We specify that in the event of Prohibited Reports being sent, the confidentiality of the Reporter's identity as well as the other measures to protect the Reporter put in place by the Company shall not be guaranteed.

The Reporter must therefore be specifically aware that:

- reports must not contain accusations that the Reporter personally knows to be false or unfounded and that, generally speaking, reporting must not be used for the purpose of offending and/or causing prejudice towards the Reportee.
- the report does not guarantee the Reporter any protection in the event that he has contributed to carrying out the unlawful conduct;

- without prejudice to the criminal, civil and disciplinary liability of the Reporter, in the event of slanderous or defamatory reporting, reports sent with intentional wrongdoing or gross negligence, opportunistic reports and/or reports made for the sole purpose of damaging the Reportee, as well as any other possible abuse or instrumentalisation of this Procedure are subject to disciplinary sanctions;
- personal complaint may not be the subject of reporting.

The management of Prohibited Reports is described in Paragraph 7.1.1 “Preliminary assessment and classification of the Report” of this Procedure.

### 5.3.3 Form and minimum contents of the Report

In order for the Report to be used effectively, it must contain the following essential elements:

- **Object:** a clear description of the facts forming the object of the Report, indicating (if known) the circumstances in terms of time and place in which the facts were committed/omitted (just to give an example: contract, transaction, place, etc...)
- **Reported Subject and other subjects involved:** any element (such as company function/role) that enables the presumed perpetrator/s of the illicit behaviour or behaviour that contravenes the 231 Model and Code of Conduct to be easily identified.

Moreover, the Reporter may provide the following additional elements:

- his personal details, in the event that he does not intend to remain anonymous;
- indication of any other subjects who can report on the facts narrated;
- indication of any documents existing that may confirm the true nature of such facts;
- any other information that may facilitate the gathering of evidence concerning the matter reported.

In order to facilitate and standardise the reporting process, the Reports may be formulated by completing the form on Annex 1 and sending it through the channels set out in Paragraph 5.4 below.

The Reporter may also attach any documentation that may be useful to better substantiate the Report.

There are two types of reporting:

- open, when the Reporter's personal details are provided explicitly in the report;

- anonymous, when the Reporter's personal details are not explicitly provided.

Both types of reporting must present the minimum requirements as set out in this paragraph.

## **5.4 Reporting Channels**

The Report formulated by using the form set out in Annex 1, can be notified through the following channels:

- **the dedicated PEC certified electronic mail address** (preferential channel) [segnalazioni.Appliances@electroluxpec.it](mailto:segnalazioni.Appliances@electroluxpec.it), addressed to Electrolux Appliances S.p.A. Supervisory Body
- **confidential letter**, sent to Electrolux Appliances S.p.A. Supervisory Body c/o main post office located at "Corso Lino Zanussi, 24 – 33080 Porcia (PN)"

The channels that the Company has put in place ensure it is impossible for the Report and the identity of the Reporter to be accessed by the Reportee or third parties that have not been identified by the organisation as recipients of reports or as subjects appointed to subsequently investigate the reported facts.

## **6. General principles and protection**

### **6.1 Protection of the Reporter**

Correct management of the Whistleblowing system will encourage the dissemination of a culture of ethics, transparency and legality within the Company and Electrolux Group.

This objective can only be achieved if the Reporting Subjects have not only specific communication channels available but can also be certain that they will not suffer retaliation from colleagues or superiors or any other representatives of the Company or risk seeing their report going unheeded.

The Company for this purpose protects the Reporting Subject guaranteeing that his identity will remain confidential and expressly prohibits any conduct, either direct or indirect, that is retaliatory, discriminatory or in any way unfair, for reasons associated directly or indirectly with the Report.

Any behaviour that violates the measures protecting the Reporter, as well as any retaliatory or discriminatory measures adopted towards the same may give rise to disciplinary proceedings against the person responsible.

Where the Reporting Subject is an employee of the Company:

- the adoption of discriminatory measures against him may be notified by the same to the National Labour Inspectorate as well as to the Trade Union Organisation indicated by the same (see Part 6 “The Disciplinary System” of the 231 Model);
- any retaliatory or discriminatory measure caused in any way by the Report (including dismissal and/or changes to assignments pursuant to Art. 2103 Civil Code) are null and void pursuant to Art 6, Paragraph 2 quater Legislative Decree 231/2001.

Also if the facts reported should result as being unfounded and/or inconsistent, on the basis of evaluations and enquiries carried out, the Reporting Subject who made the Report in good faith may not be sanctioned. Vice versa, the Reporting Subject who made the Report with intentional wrongdoing or gross negligence can be sanctioned. In such case, on the one hand, the Company shall apply to the Reporting Subject the measures indicated in the 231 Model (Paragraph 2.7) and Disciplinary Code, on the other, the evidence from the same proceedings shall be made available to the Reporting Subject so that he may seek protection in the appropriate forums.

In the event that Reports made in the forms and within the limits set forth in Article 6 of the legislative decree 8 June 2001, no. 231, the pursuing of interest in the integrity of public and private administrations, as well as the prevention and repression of embezzlement, constitute just cause for revealing information covered by obligation to maintain secrecy as set out in Articles 326, 622 and 623 of the criminal code and Article 2105 of the civil code.

The protections extended to the Reporter may be guaranteed by the Company only in the event that he complies with the indications provided in this Procedure.

## **6.2 Protection of the Reportee**

In order to prevent any abuse of the Reporting system and in order to impede any accusations, defamation or passing on of personal data, including sensitive data, of the Reported Subject, which could cause damage to his reputation, discrimination, retaliation or any other disadvantages, this Procedure also provides measures to protect the Reportee.

For this purpose, as provided for by paragraph 5.3.2, any insulting, defamatory or slanderous Reports that could give rise to a civil and/or criminal liabilities on the part of the Reporter are strictly prohibited.

Every Report received is evaluated and examined by an autonomous and independent entity (Supervisory Body) not involved directly in the event reported, in order to avoid conflicts of interest or lack of impartiality.

The decisions concerning any disciplinary measures, complaints or any other actions to be undertaken, following the results of the checks carried out, are taken by the appropriate company organisational functions and, in all cases, by subjects other than those who conducted the enquiries, in order to avoid conflicts of interest or lack of impartiality.

### **6.3 Confidentiality and secrecy**

The Company guarantees the confidentiality of the Report, its contents, the identity of the Reporting Subject, should the report be named, and of the Reportee, as well as of the documentation attached to the act of the same or subsequently gathered and processed.

Therefore, the aforesaid information (including therein any documentation) cannot be revealed to any persons not directly involved in the evaluation or enquiry process, which is described below.

All those who receive or are involved in the management of Reports are bound to protect their confidentiality.

The violation of this obligation to maintain confidentiality leads to disciplinary liability in accordance with the Disciplinary System of the 231 Model.

The confidentiality of the Reporting Subject shall not on the other hand be respected when:

- the Reporter expressly consents to his identity being revealed;
- the criminal liability of the Reporter has been established by judgement of the first instance for libel or slander or crimes in any way connected with the Report, or civil liability for the same criminal offences in the events of intentional wrongdoing or gross negligence;
- anonymity is not enforceable by law and the identity of the Reporter is required by the judicial authority or by other public authority in relation to the enquiries (i.e. criminal, fiscal or administrative investigations, inspections by control bodies).

### **6.4 Personal data processing**

It is also specified that the personal data of Reporters, Reportees and all subjects involved in the Report are processed in compliance with the legislation in force concerning the protection of personal data (Legislative Decree 196/2003, as amended by Legislative Decree 101/2018, and, from 25 May 2018, Regulation (EU) 2016/679 of the European Parliament and Council dated 27 April 2016).

In particular, in this context it is emphasised that:

- The Reporting Subject, will receive through the Report, a Privacy statement specifying amongst other things, the purposes for which personal data are processed and the modalities used to process them, the persons/offices who whom the reported data may be, in limited cases, passed on to as part of the system of managing the Report and the rights of the Reporter in relation to his personal data processed;
- the Reporting system provides for the processing of data only strictly necessary and relevant for the purposes for which they were gathered: the reports are deleted once the terms set out in Paragraph 7.6 “*Storing records of Reports*” have expired;
- adequate technical and organisational measures have been put in place to guarantee the security of the personal data, in compliance with legislation in force;
- the exercising of rights by the Reporter or Reportee (“interested” parties in accordance with the privacy legislation) in relation to their personal data processed as part of a whistleblowing process may be limited, to guarantee the protection of the rights and liberties of others, it being emphasised however that in no circumstances may the Reportee be permitted to exercise his rights in order to obtain information about the identity of the Reporter, unless the latter has acted in bad faith.

### **6.5 Feedback and involvement of the Reporter**

For every Report made, suitable feedback will be sent to the Reporter (where Reporting modalities allow this and when the report is not made anonymously) confirming that the Report has been received.

The Company reserves the right to request further information or documentation from the Reporting Subject, as well as to involve him during the preliminary investigation stage.

## **7. Reporting/Whistleblowing management process pursuant to Legislative Decree 231/2001**

Here below is a description of the Reporting management process governed by the Supervisory Body, with reference in particular to the following stages:

- receiving and registering the Report;
- preliminary assessment and classification of the Report;
- internal controls and enquiries;
- conclusion of the process;
- reporting to the Company’s senior management;
- storage of the Report records and relevant related documentation.

Assigning the Supervisory Body the task of examining and evaluating Reports guarantees that these are received, examined and assessed by an autonomous and independent entity that is not hierarchically or functionally subordinate to any subject being reported.

In the event that amongst the members of the Supervisory Body there is a subject assumed responsible for the violation (Reported Subject) or the same has an interest connected with the Report such as to compromise his impartiality or independence of judgement, the member involved shall abstain from the process of managing Reports.

## **7.1 Receiving and managing the Report**

On receiving a Report, irrespective of the channel used, the Supervisory Body shall allocate it a progressive identification number, which will enable it to be unambiguously identified.

In particular, a member of the Supervisory Body shall be identified and appointed to keep a so-called **Reports Register** (on computer) containing at least the following fields (which he shall update in line with the outcomes of the activities in the subsequent stages of the process outlined in this Procedure):

- ID/identification protocol;
- Date received;
- Channel that the Report was received through;
- Classification of Report, according to the outcomes of the assessment stage as set out in Paragraph 7.1.1 “*Preliminary assessment and classification of Report*” (a) *not relevant*; b) *cannot be processed*; c) *prohibited*; d) *relevant and can be processed*);
- Date enquiry commenced (if provided);
- Conclusion.

It is the duty of the Supervisory Body to maintain confidentiality over the contents and access to such Register, which only the members of the same Body shall be entitled to consult.

### **7.1.1 Preliminary assessment and classification of the Report**

The Supervisory Body shall promptly take charge of and carry out a preliminary analysis of the Report received at the end of the so-called preliminary assessment.

If necessary, and if the type of Report allows it, the Supervisory Body may request further supporting information or documentation from the Reporting Subject in order to allow a more exhaustive and conclusive assessment of the Report.

Following these preliminary analyses and assessments, the Supervisory Body shall classify the Report in one of the following categories, which imply a different, specific workflow for them to be managed:

**a) Report not relevant:** the Report is not relevant to the field of application of this Procedure, in that it refers to Reported Subjects or companies that do not fall within the boundaries defined by this procedure, or it refers to deeds, actions or behaviour that are not the object of Reports in accordance with this Procedure (see Paragraph 5.3 “*Object of Reports*”).

Should the Supervisory Body decide that the Report is founded and substantiated, albeit not relevant for its own purposes (in that, for example, it does not concern an offence and/or a violation, even presumed, of the 231 Model), it may submit the Report to the attention of the Human Resources Manager.

**b) Report relevant but cannot be processed:** even though relevant to the field of application of this Procedure, on conclusion of the preliminary examination stage and requesting if necessary any further information, it was not possible to gather sufficient information/elements with regard to the object/contents of the Report, to be able to proceed with further enquiries.

**c) Report prohibited:** in the event of receiving Reports concerning cases envisaged by Paragraph 5.3.2 “*Prohibited Reports: conduct that cannot be reported*”, the Supervisory Body shall notify Human Resources Management of such circumstance to start up if necessary the disciplinary proceedings and evaluate whether to notify the Report in question to the Reportee, to allow him to exercise his rights of defence. In the event that Human Resources Management decides not to involve the Reportee, the Report received shall be filed away. The involvement of other functions could also be required subsequently, where the libellous, slanderous or discriminatory nature should emerge only during the subsequent enquiry/audit stage.

In the case that this type of Report is made by third parties with whom the Company maintains contractual relations (such as for example suppliers, external consultants/collaborators, commercial partners, etc.), the Supervisory Body shall notify the Purchasing Department and Management, who have requested/used the



services of the third party, of such circumstances, so that the sanctioning procedure may be initiated in accordance with the provisions set out in the specific contractual clauses entered in the relative contracts.

**d) Report relevant and can be processed:** in the event of Reports that are confirmed to be sufficiently substantiated and falling within the boundaries of this Procedure, the Supervisory Body shall initiate the control stage described in the following paragraph.

## ***7.2 Escalation in the event of Reports concerning senior company management***

In the event of Reports concerning subjects appointed to decide on any disciplinary measures, charges or other actions, the Supervisory Body shall immediately involve the Chairman of the Board of Directors or one of the Executive Directors, in order to co-ordinate and define the subsequent inquiry process.

In the event of Reports concerning the Chairman of the Board of Directors or one of the Members of the Board, the Supervisory Body shall immediately notify the other Members of the Board of Directors and the Board of Statutory Auditors, in order to co-ordinate and define the subsequent inquiry process.

In the event of Reports concerning the Chairman of the Board of Statutory Auditors or one of the Statutory Auditors, the Supervisory Body shall immediately notify the other Members of the Board of Statutory Auditors and the Board of Directors, in order to co-ordinate and define the subsequent inquiry process.

Lastly, in the event of Reports concerning a member of the Supervisory Body, the other members shall immediately notify the Board of Directors and the Board of Statutory Auditors, in order to co-ordinate and define the subsequent inquiry process.

## ***7.3 Internal controls and enquiries***

At the end of the preliminary assessment stage, where the Report received has been classified as **d) relevant and can be processed**, the Supervisory Body shall initiate internal controls and inquiries in order to gather further detailed information to check the accuracy of the facts reported and collect sufficient evidence regarding these.

The Supervisory Body reserves the right to request further information or documentation from the Reporting Subject, as well as involve him in the preliminary investigation stage and

provide the same with any information concerning the initiation of the preliminary investigation and the progress being made.

As part of the preliminary investigation, the Supervisory Body may make use of the support of appropriately qualified internal company structures/functions and/or make recourse to external consultants.

In these circumstances, the subjects involved in the preliminary investigation activities also become subjects to whom this Procedure applies and are consequently called upon to comply with, amongst other things, the obligations to maintain confidentiality. In the event of violations by such subjects of the principles established by this Procedure, the Company may apply the measures indicated in the 231 Model disciplinary/sanctions system.

## ***7.4 Conclusion of the process***

The control stage terminates with the drawing up of a Report for the purpose of formalising the context in which the Report took place, the control activities carried out and modalities/methodologies followed, and the relative results/observations obtained. The Report shall also recommend actions to be pursued in relation to each observation/evaluation formulated.

At the end of the controls and enquiries set out in Para. 7.3 hereinabove, where the unlawful behaviour described in the Report is considered to be unfounded or where there is no violation relevant for the purposes of the 231 Model or the Code of Conduct, the Supervisory Body shall file away the Report.

If on the other hand it is to be considered founded and the Report concerns Company employees, it shall promptly send the Report concluding the enquiries to Human Resources Management for the evaluation of any disciplinary provisions to be undertaken and/or any notifications to be made to competent Authorities. At the same time the Supervisory Body shall evaluate the possibility of informing the Board of Directors.

Human Resources Management must promptly inform the Supervisory Body about the outcome of any disciplinary proceedings opened against a Reportee who is an employee of the Company.

If a Report concerning third parties with whom the Company maintains contractual relations (such as for example suppliers, external consultants/collaborators, commercial partners, etc.) is considered to be founded, the Supervisory Body shall promptly send the Report concluding the enquiries to the Purchasing Department and Management that requested/used the services of the third party, so that the sanctioning procedure may be initiated in accordance with the provisions set out in the specific contractual clauses entered

in the relative contracts and/or for any notifications to be made to the competent Authorities. At the same time the Supervisory Body shall evaluate the possibility of informing the Board of Directors.

The Purchasing Department must promptly inform the Supervisory Body with regard to the outcome of any disciplinary proceeding opened against the third and counterparty of the Company.

For guidelines on disciplinary proceedings and any sanctions that may be imposed, refer to Part 2.7 “the disciplinary/sanctions system” of the 231 Model.

If the analysis, in the event that a Report turns out to be unfounded, rendered it necessary for the Reportee to be heard, he must be promptly informed that analysis proceedings have been closed and, consequently, that there are no provisions being taken against him.

### ***7.5 Reporting to Senior Management***

In line with the provisions set out in Part 2.7 “The disciplinary/sanctions system” of the 231 Model and Disciplinary Code, in the event of a Report turning out to be founded, concerning:

- one or several Members of the Board of Directors of the Company, or one or several members of the Supervisory Body, the Supervisory Body shall inform the entire Board of Directors and Board of Statutory Auditors;
- the entire Board of Directors of the Company, the Supervisory Body shall inform the Board of Statutory Auditors so that this may convene a Shareholders' Meeting without delay;
- one or several members of the Board of Statutory Auditors or the entire Board of Statutory Auditors of the Company, the Supervisory Body shall inform the Board of Directors.

For guidelines on disciplinary proceedings and any sanctions that may be imposed, refer to Part 2.7 “the disciplinary/sanctions system” of the 231 Model.

In all cases, the outcomes of the assessments of all the Reports received shall be used to compile a special reporting system of which the Board of Directors/ Board of Statutory Auditors shall be notified periodically.

## **7.6 Filing away and storage of Reports**

The Reports and relative accompanying documentation must be suitably filed away in electronic and/or paper form according to their medium, by the Supervisory Body and stored for the following period:

- Reports that are not relevant: erasure or transformation into anonymous form within 30 days from being classified as not relevant;
- Reports that cannot be processed: up until the time of the assessments that have defined them as such, then erasure or transformation into anonymous form within 30 days;
- Reports that are prohibited: filing away until any disciplinary, court or out of court, or appeal proceedings have been closed,
- Reports that are relevant and can be processed: 10 years unless there are any disputes in course.

## **8. Violations of this Procedure**

Any violation of this Procedure may constitute a disciplinary offence punishable by the Company, in compliance with provisions set out in the 231 Model Disciplinary System.

In particular it is highlighted that, in order to guarantee the protection of the Reporter, the 231 Model Disciplinary System provides for sanctions in the event of retaliatory or discriminatory acts carried out against anyone who has reported unlawful conduct relevant for the purposes of Legislative Decree 231/2001, or a violation of the Model or Code of Conduct as well as in the event of any violations of the obligation to maintain the identity of the Reporter confidential.

Also any Report made with intentional malice or gross negligence that turns out to be unfounded, may constitute a disciplinary offence punishable by the Company in compliance with the 231 Model Disciplinary System.

For more detailed information, please consult the 231 Model Disciplinary System.