ORGANISATION, MANAGEMENT AND CONTROL MODEL OF FIRECOM AUTOMOTIVE S.R.L

GENERAL PART

ADMIN

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Index

1. ADMINISTRATIVE LIABILITY REGIME PURSUANT TO LEGISLATIVE DECREE NO. N. 231/2001

1.1 Legislative Decree No. 231/2001

On 8 June 2001, Legislative Decree no. 231 (hereinafter also referred to as the "Decree 231") was issued - in execution of the delegated power referred to in Article 11 of Law no. 300 of 29 September 2000 - and entered into force on the following 4 July, with a view to bringing domestic legislation on the liability of legal persons into line with a number of international conventions to which Italy had already acceded some time ago, and in particular

- the Brussels Convention of 26 July 1995 on the protection of the financial interests of the European Communities;
- the Convention also signed in Brussels on 26 May 1997 on the fight against corruption of officials of the European Communities or of the Member States;
- the OECD Convention of 17 December 1997 on Combating Bribery of Foreign Public Officials in International Business Transactions.

With this decree*, concerning the 'Regulations on the administrative liability of legal entities, companies and associations, including those without legal personality'* (hereinafter also referred to as 'Legislative Decree 231/01', 'Decree 231' or 'Decree'), the liability of entities for administrative offences dependent on a crime was introduced for the first time in our legal system.

This is a particular form of liability, nominally administrative, but substantially of an afflictive-penal nature, borne by companies, associations and entities in general, for specific crimes and administrative offences committed in their interest or to their advantage by a natural person holding an apical or subordinate position within them.

The administrative liability of entities is, therefore, independent of the criminal liability of the natural person who committed the offence.
criminal liability of the natural person who committed the offence, and stands alongside the latter.

The legislation indicates as recipients '*bodies endowed with legal personality, companies endowed with legal personality and companies and associations, including those without legal personality'* (Article 1(2)). However, it does not apply *to* '*the State, public-territorial bodies, other non-economic public bodies and bodies that perform functions of constitutional importance*' (Article 1(3)).

Moreover, liability is attributable to the entity where the offences, indicated by Decree 231, have been committed by persons connected in various ways to the entity itself.

Article 5 of Decree 231, in fact, indicates as perpetrators of the offence

- persons who hold positions of representation, administration or management of the entity or of one of its organisational units with financial and functional autonomy and those who de facto manage and control the entity (senior persons)
- persons subject to the management or supervision of apical persons (subordinates).

In particular, the identification of so-called apical persons must be carried out taking into account the function actually performed within the scope of their duties and therefore the ability to exercise a significant influence on the Company or a production unit. As regards the so-called subordinates, this refers to persons linked to the Entity by a subordinate or para-subordinate employment relationship, as well as external collaborators (such as, by way of example, consultants or suppliers).

This liability is additional to that of the natural person who materially committed the offence.

In cases where the offence was committed by persons in a senior position, the Entity's liability is expressly excluded if the Entity proves that the offence was committed by fraudulently circumventing the existing models and there was no or insufficient control by the Supervisory Board (hereinafter 'Board' or 'SB') responsible for supervising the proper functioning and effective compliance with the model.

If the offence was committed by a person in a subordinate position, the Entity will be liable where the commission of the offence was made possible by the failure to comply with the obligations of management and supervision. In any case, non-compliance with management or supervisory obligations is excluded if the Entity, before the offence was committed, adopted and effectively implemented an organisational, management and control model capable of preventing offences of the kind committed.

Recognition of the Entity's liability presupposes that the offence was committed by the above-mentioned persons *'in the interest or to the advantage of the company'* (Article 5(1) of Legislative Decree 231/2001). Therefore, the Entity will not be liable in the event that the senior persons or employees have acted "*in their own exclusive interest or in the interest of third parties*" (Article 5(2), Legislative Decree No. 231/01).

In particular, the interest consists in a foreseen undue enrichment of the entity, even if possibly not realised, as a result of the offence, according to a markedly subjective yardstick and, therefore, the existence of this requirement must be ascertained by the judge "*ex ante*". The second requirement was identified in an advantage objectively achieved by the commission of the offence, even if not foreshadowed, and therefore has an essentially objective connotation which, as such, must be verified "*ex post*" on the basis of the effects concretely resulting from the commission of the offence.

As regards the nature of both requirements, it is not necessary that the interest or the advantage must have an economic content.

1.2 The predicate offences

With regard to the type of offences intended to entail the aforementioned administrative liability of Entities, the Decree - in its original text - referred to a series of offences committed in relations with the Public Administration, thus setting itself the peculiar objective of penalising corrupt conduct aimed at facilitating business activities.

Over the years, the list of so-called predicate offences has been considerably extended to include most of the unlawful acts attributable to business activity.

We list below the "*families of offences*" currently included in the scope of application of Decree 231, referring to Annex 1 "Catalogue of offences 231" of this document for a detailed analysis of the individual cases included in each family:

1. Misappropriation of funds, fraud to the detriment of the State or a public body or for the purpose of obtaining public funds, and computer fraud to the detriment of the State or a public body;
2. Computer crimes and unlawful processing of data;
3. Organised crime offences;
4. Embezzlement, extortion, undue inducement to give or promise benefits, bribery and abuse of office;
5. Forgery of money, public credit cards, revenue stamps and identification instruments or signs;
6. Crimes against industry and trade;
7. Corporate offences;
8. Crimes for the purpose of terrorism or subversion of the democratic order;
9. Practices of female genital mutilation;
10. Crimes against the individual;
11. Market abuse;

12. Manslaughter or grievous or very grievous bodily harm committed in violation of occupational health and safety regulations;
13. Receiving stolen goods, money laundering and use of money, goods or benefits of unlawful origin, as well as self-laundering;
14. Offences relating to non-cash payment instruments;
15. Copyright infringement offences;
16. Inducement not to make statements or to make false statements to the judicial authorities;
17. Environmental offences;
18. Employment of third-country nationals whose stay is irregular;
19. Racism and Xenophobia;
20. Fraud in sporting competitions, unlawful gaming or betting and gaming gambling by means of prohibited devices;
21. Tax offences;
22. Smuggling;
23. Crimes against cultural heritage;
24. Laundering of cultural property and devastation and looting of cultural and landscape heritage
25. Transnational offences.

The above list cannot be considered definitive as it is subject to further amendments, due to the continuous adaptation of domestic legislation to international and, in this case, Community legislation.

1.3 Applicable sanctions

Legislative Decree 231/01 provides that the following categories of sanctions are applicable to the recipient Entities, following the commission or attempted commission of the predicate offences (Articles 9 et seq.)

a) pecuniary sanctions

the pecuniary administrative sanctions, governed by Article 10 of the Decree, are always applicable in the event of conviction of the Entity.

In the event of a finding that an administrative offence has been committed, the pecuniary sanction is always applicable by instalments. In the commensuration of the pecuniary sanction, the judge determines the number of quotas, taking into account the seriousness of the offence, the degree of the entity's liability and the activity carried out to eliminate or mitigate the consequences of the offence and to prevent the commission of further offences. The amount of the single quota is, on the other hand, fixed on the basis of the economic and asset conditions of the entity in order to ensure the effectiveness of the sanction.

The identification of a number of quotas to be applied as a sanction is provided for and the value of the individual quota is multiplied by the number.

Article 12 of Decree 231 provides that the amount of the fine is reduced if

- the perpetrator committed the offence in his own interest or in the interest of third parties and the entity did not gain an advantage or gained a minimal advantage;
- the pecuniary damage caused is of particular tenuousness.

Similarly, reductions in the penalty are provided for when, before the opening of the first instance hearing

- the entity has fully compensated the damage and eliminated the harmful or dangerous consequences dangerous consequences of the offence or has in any case effectively done so
- or an organisational model suitable for preventing offences of the kind committed has been adopted and made operational.

b) prohibitory sanctions

Disqualification penalties are applied in the most serious cases if at least one of the following conditions is met

- the Entity has derived a significant profit from the offence and the offence was committed by persons in a senior position, or by persons subject to the direction and supervision of others when the commission of the offence was determined or facilitated by serious organisational deficiencies
- in case of repetition of the offence.

The following disqualification sanctions of no less than three months and no more than two years are provided for (except in cases where they are applied definitively)

- disqualification from pursuing the activity;
- suspension or revocation of authorisations, licences or concessions functional to the commission of the offence;
- the prohibition of contracting with the public administration, except to obtain the performance of a public service;
- exclusion from facilitations, financing, contributions or subsidies and the possible revocation of those already granted;
- a ban on advertising goods or services.

Without prejudice to the application of pecuniary sanctions, disqualification sanctions are not applied when, prior to the declaration of the opening of the first degree hearing, the following conditions are met

- the entity has fully compensated the damage and eliminated the harmful or dangerous consequences dangerous consequences of the offence or has in any case effectively done so
- the entity has eliminated the organisational deficiencies that led to the offence by adopting and implementing organisational models capable of preventing offences of the kind that have occurred
- the entity has made the profit made available for confiscation (Art. 17 Decree 231).

As a general rule, the sanctions are aimed at the specific activity to which the entity's offence relates. The judge determines their type and duration on the basis of the same criteria indicated for the application of pecuniary sanctions, taking into account the suitability of the individual sanctions to prevent offences of the type committed.

In this case, any profit derived from the continuation of the activity is subject to confiscation.

These measures may also be applied to the entity as a precautionary measure prior to the assessment of the merits of the case as to the existence of the offence and of the administrative offence arising therefrom, in the event that there is serious evidence of the entity's liability and a well-founded danger that offences of the same nature as the one being prosecuted may be committed.

Also in this case, in place of the prohibitory precautionary measure, the judge may appoint a judicial commissioner to continue the activity if the entity provides a service of interest to the community or if the interruption of its activity could have significant repercussions on employment. Failure to comply with prohibitory sanctions constitutes an autonomous offence autonomous offence provided for in Decree 231 as a source of possible administrative liability of the Entity.

c) confiscation

Confiscation consists in the coercive acquisition by the State of the price or profit of the offence, except for the part that can be returned to the injured party and without prejudice to the rights acquired by third parties in good faith. When it is not possible to execute the confiscation in kind, it may concern sums of money, goods or other utilities of equivalent value to the price or profit of the offence.

d) Publication of the judgment.

The publication of the conviction may be ordered when a disqualification sanction is imposed on the body and is carried out at the body's expense (Article 18 of Decree 231). In the event that the judge finds that the conditions exist for the application of a disqualification measure against an entity that carries out activities in the public interest or has a significant number of employees, he may order that the entity continue to operate under the guidance of a court-appointed administrator.

In addition, Article 26 of the Decree provides that in the event of the commission, in the form of an attempt, of the predicate offences set out in paragraph 1.2 of this document, the pecuniary and disqualification penalties are reduced by between one third and one half.

However, no penalty is imposed in cases where the Entity voluntarily prevents the commission of the action or the realisation of the event.

In this sense, the exclusion is justified by virtue of the interruption of any relationship of immedesimation between the body and the persons who assume to act in its name or on its behalf.

1.4 Patrimonial liability and events modifying the Entity

With the introduction of the Decree, the Legislator has regulated the liability regime of the Entity by providing, in Article 27, that *the 'obligation to pay the pecuniary penalty shall only be liable to the Entity with its assets or with the common fund. The State's claims arising from the administrative offences committed by the entity have a privilege in accordance with the provisions of the Code of Criminal Procedure on claims arising from offences. For this purpose, the pecuniary sanction shall be considered equivalent to the pecuniary penalty.* ".

In particular, Articles 27 et seq. of the Decree regulate the entity "s asset liability regime with specific reference to the so-called modifying events, such as the transformation, merger, demerger and transfer of a company.

In this sense, the Decree provides

- in the event of a transformation, the transformed entity remains liable also for offences committed prior to the date on which the transformation took effect
- in the event of a merger, including by incorporation, the entity resulting from the merger shall also be liable
  also for offences for which the merged entities were liable;
- in the event of a partial **demerger,** the demerged company remains liable for offences committed prior to the date on which the demerger took effect and the entities benefiting from the demerger become jointly liable
- in the event of a **transfer**, the transferee shall be jointly and severally liable with the transferor for fines imposed in relation to offences committed within the transferred company, up to the limit of the value transferred and the fines resulting from the compulsory books of account or the fines due to offences of which the transferee was in any case aware.

1.5 Exemption condition for the Entity's administrative liability

Article 6 of the Decree, in introducing the above regime of administrative liability, has provided for specific forms of exoneration depending on the existence of certain circumstances.

This exemption operates differently depending on whether the offences are committed by persons in senior positions or by persons subject to their direction.

In particular, in the event of an offence being committed by an apical subject, the body is not be liable if it proves that

- suitable organisation, management and control models are in place and effectively implemented to prevent the commission of offences
- a body of the Entity (so-called 'Supervisory Body') is established, with powers of autonomous initiative and with the task of supervising the functioning and observance of the models of organisation
- the offence was committed by fraudulently circumventing the existing models;
- there was no omission or insufficient supervision by the Supervisory Board.

In the case of offences committed by persons subject to the management or supervision of senior persons, the Entity is liable if the commission of the offences was made possible by the failure of the management bodies to comply with their management or supervisory obligations. In any case, if the Entity, prior to the commission of the offence, has adopted and effectively implemented an organisational, management and control model capable of preventing offences from being committed and the Supervisory Board has diligently performed its functions, it is presumed that the failure to comply with the management or supervisory obligations has been excluded, and thus the Entity's liability.

Decree 231 also provides that the Organisation, Management and Control Model must meet the following requirements

1. identify the activities within the scope of which offences may be committed

2. provide for specific protocols aimed at planning the formation and implementation of the Entity's decisions; and

3. identify methods of managing financial resources that are suitable for preventing offences from being committed;

4. establish obligations of information on the part of all company employees and all other stakeholders (customers, suppliers, partners, collaborators in various capacities), vis-à-vis the Supervisory Board on the main corporate events and, in particular, on the activities considered to be at risk

5. introduce disciplinary systems capable of penalising non-compliance with the measures indicated in the Model.

An element of significant importance and further differentiation in the case of offences committed by senior or subordinate persons is covered by the procedural profile relating to the burden of proof.

In particular, in the event of any proceedings aimed at establishing the administrative liability of the entity following the commission of an offence by a senior person, it is for the entity itself to prove that it has met the requirements of Article 6(1) of the Decree; conversely, in the event that the offence derives from the conduct of a subordinate, the adoption of the Model constitutes a presumption in favour of the entity and thus reverses the burden of proof on the prosecution, which is called upon to prove the failure to adopt and effectively implement it.

However, the mere adoption of an abstractly suitable Model 231 is not, in itself, sufficient to exclude said liability, since its actual and effective implementation is required. In particular, for the purposes of effective implementation of the Model, Decree 231 requires

- periodic checks on the actual implementation of and compliance with the Model 231;
- the possible amendment of Model 231 when significant violations of the prescriptions are discovered or when changes occur in the organisation or activity
- the concrete application of an appropriate disciplinary system to sanction non-compliance with the measures set out in the 231 Model itself.

1.6 Offences committed abroad

With reference to the "perimeter" of applicability of the administrative liability of entities, in line with the provisions of the Criminal Code, through Article 4, Legislative Decree 231/01 provides that the entity may also be held liable in Italy in relation to the commission abroad of offences relevant for the purposes of the Decree, where

- it has its head office in Italy, i.e. the actual place where administrative and management activities are carried out, which may also be different from the place where the business or registered office is located (entities with legal personality), or the place where the activity is carried out on a continuous basis (entities without legal personality)
- the State of the place where the act was committed is not prosecuting;
- the request of the Minister of Justice, to which punishment may be subject, is also refer to the entity itself.

These rules concern offences committed entirely abroad by senior or subordinate persons. For criminal conduct that has taken place even only in part in Italy, the principle of territoriality pursuant to Article 6 of the Criminal Code applies, according to which *'the offence is deemed to have been committed in the territory of the State when the action or omission constituting the offence has taken place there in whole or in part, or when the event that is the consequence of the action or omission has occurred there'.*

1.7 The Confindustria Guidelines

Article 6(3) of Decree 231 states that *'organisational and management models may be adopted, guaranteeing the requirements set out in paragraph 2, on the basis of codes of conduct drawn up by the associations representing the entities, communicated to the Ministry of Justice which, in agreement with the competent Ministries, may, within thirty days, formulate observations on the suitability of the models to prevent offences'.*

On 7 March 2002, Confindustria drew up and communicated to the Ministry the Guidelines for the construction of organisation, management and control models pursuant to Legislative Decree no. 231/2001, in order *"to offer companies that have chosen to adopt an organisation and management model a series of indications and measures, essentially drawn from company practice, considered in abstract to be suitable for responding to the requirements outlined in Decree 231."*

Over time, the Confindustria Guidelines have been updated several times[1], in order to adapt to the regulatory changes and/or to the case law, as well as to the application practices that have occurred in the meantime.

The aforementioned Confindustria Guidelines can be schematised according to the following fundamental phases

- *identification of risks:* i.e. the analysis of the corporate context in order to highlight where (in which area/sector of activity) and in what manner events detrimental to the objectives set out in Legislative Decree No. 231/2001 may occur
- *preparation of a control system* (so-called protocols for planning the formation and implementation of the entity's decisions): i.e. the assessment of the existing system within the entity and its possible adaptation, in terms of its ability to effectively counter the identified risks.

The most relevant components of the control system proposed by Confindustria are:

- code of ethics/behaviour
- organisational system, manual and IT procedures;
- powers of authorisation and signature;
- control and management system;
- staff communication and training;
- disciplinary mechanisms.

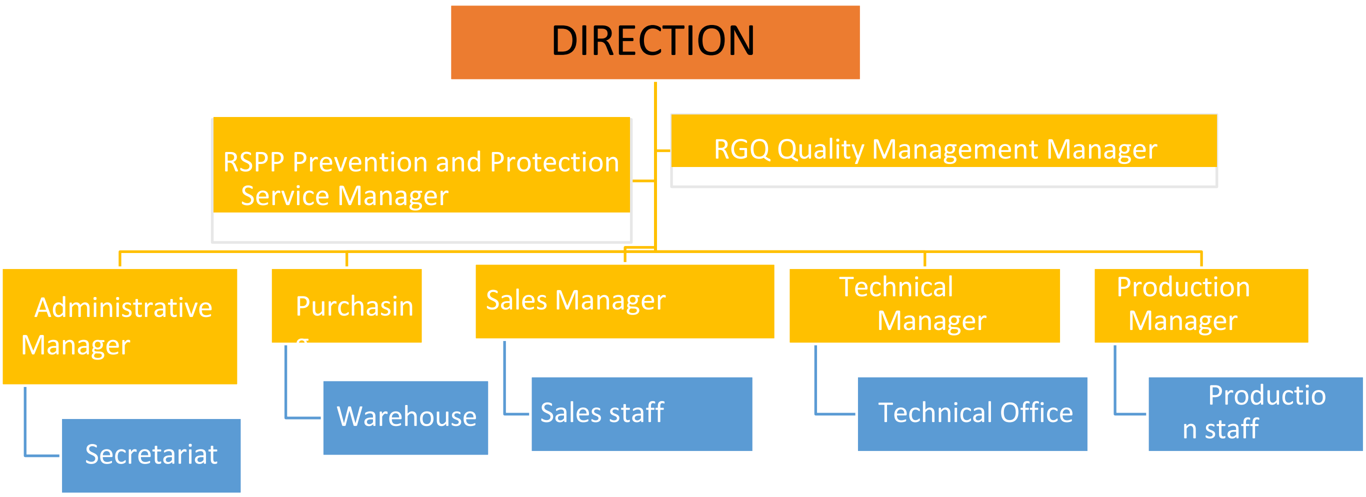
[1]Guidelines for the construction of Organisation, Management and Control Models pursuant to Legislative Decree No. 231 of 8 June 2001 -Confindustria were updated in June 2021.

2. THE FIRECOM ORGANISATION, MANAGEMENT AND CONTROL MODEL

2.1 Profile and activities

Firecom Automotive s.r.l. (hereinafter also "Firecom" or the "Company") is a production company operating in the field of fire-fighting systems based on an innovative extinguishing agent, a condensed potassium salt aerosol capable of extinguishing class A, B and C fires.

As far as corporate organisation is concerned, Firecom is structured according to the organisation chart shown below:



2.2 Purpose of the Model

Firecom adopts this Model 231 with the aim of preventing the commission of offences related to Decree 231 (so-called predicate offences) by representatives of the Company, apical or subject to the management of others.

Firecom is strongly committed to ensuring conditions of fairness and transparency in the conduct of business activities, to protect its image, the expectations of its stakeholders and the work of its employees, and is aware of the importance of having an up-to-date internal control system suitable to prevent the commission of unlawful conduct by its employees and business partners.

With the adoption of the Model, the Company's main objective is to have a structured system of procedures and controls that reduce, in the execution of the company's operational activities identified as "at risk of offences", the risk of the commission of offences pursuant to Legislative Decree 231/01 and offences in general.

In summary, this Model has the following aims:

- Prevention of the risk of commission of crimes and administrative offences theoretically theoretically occurring in the context of the Company's activities;
- Knowledge of the corporate areas and activities that present a risk of commission of offences relevant to the Company;
- Knowledge of the rules governing activities at risk;
- Adequate and effective information of the addressees on the methods and procedures to be followed in carrying out activities at risk;
- Awareness of the sanctions that may be imposed on the perpetrators of the offence or on the Company as a result of the violation of laws, rules or internal provisions of the Company;
- Diffusion, personal acquisition and affirmation of a business culture based on legality, in the awareness of the Company's express disapproval of any conduct contrary to the law, regulations, internal provisions, and in particular, the provisions contained in this Model;
- Diffusion, personal acquisition and concrete affirmation of a culture of control, which must preside over the achievement of the objectives that, over time, the Company sets itself;
- Existence of a clear allocation of powers and adequate control.

2.3 Structure of the Model

Model 231 consists of the following parts

- *the General Section,* which describes the organisational structure, the Company's governance system, the contents and impacts of Decree 231, the general characteristics and objectives of Model 231, its adoption, dissemination, updating and application methods, the duties of the Supervisory Board, the provision of the Disciplinary System, as well as training and information activities
- the *Special Part*, which describes in detail, with reference to the types of offences envisaged by the Decree, the Sensitive Activities and the relevant control system to monitor them;
- the Annex *"Catalogue of offences"*, which contains details of all the offences envisaged by Decree 231.

Furthermore, an integral part of the Model is the Code of Ethics, which expresses the general principles and values that must inspire the activities of all those who, in any capacity, work on behalf of the Company.

2.4 Addressees

The addressees of Model 231 are considered to be

- those who perform, even de facto, functions of management, administration, direction or control of the Company;
- subordinate workers, of any rank and under any type of contractual relationship contractual relationship, even if seconded abroad for the performance of activities
- those w h o , although not belonging to the Company, work, in any capacity, in the interest of of the same;
- collaborators and contractual counterparties in general.

The Model and the relative Code of Ethics constitute indispensable references for all those who contribute to the development of the various corporate activities, as suppliers of materials, services or works, consultants, partners and any subject with which Firecomoli operates.

Contracts must explicitly include the acceptance of the rules and conduct provided for in these documents, or the indication by the contractor of the adoption of its own Model pursuant to Legislative Decree 231/01.

The subjects to whom the Model is addressed are required to punctually comply with all its provisions, also in fulfilment of the duties of loyalty, fairness and diligence that arise from the legal relations established with the Company.

The Company shall reprimand any conduct in breach not only of the regulations in force, but also of the provisions of the Model and the Code of Ethics.

The Company shall not initiate any business relations with third parties who do not intend to adhere to the principles set out in this Model, nor will it pursue such relations with anyone who violates said principles.

2.5 The construction of the Model

Article 6(2)(a) of Decree 231 provides that the Model must provide for a mechanism aimed at "*identifying the activities within the scope of which offences may be committed".*

In accordance with the provisions of the law and taking into account the methodological guidelines contained in the Reference Guidelines, on the basis of Firecom's corporate processes and organisational responsibilities, the sensitive activities relevant to the Company are identified, in relation to the individual offences envisaged by Decree 231.

The identification of the areas in which there may be a theoretical risk of commission of offences implies a detailed assessment of all the activities carried out by the Company, aimed at verifying the abstract configurability of the types of offences provided for by Decree 231 and the suitability of the existing control elements to prevent them from being committed, as well as the definition of any initiatives to integrate and/or strengthen existing controls.

The drafting of the Model and the definition of its characteristics were preceded by a preliminary analysis

- Of the organisational characteristics of the Company;
- Of the type and characteristics of the sector in which the Company operates;
- Of the reference legislation and the risks attributable to the economic sector to which it belongs.

This analysis gives rise to a mapping of "Sensitive Activities" and the controls to protect them. This activity constitutes the fundamental prerequisite of Model 231, determining the scope of effectiveness and operability of all its constituent elements and is therefore subject to periodic evaluation and constant updating.

The mapping of company activities at risk of offences for the purposes of Decree 231 was carried out

- identifying the corporate functions which, in view of the tasks and responsibilities assigned, could be involved in the execution of Sensitive Activities;
- specifying for each Activity the types of offences that may be committed and the concrete ways in which the offence may be committed in the abstract
- identifying the control elements put in place to protect the risks/offences identified.

2.6 Adoption, amendment and updating of the Model

The Model has been expressly built on the basis of the current situation of Firecom's corporate activities and operational processes.

It is a dynamic tool corresponding to the needs of prevention and corporate control. In this sense, it will be necessary to proceed with the preparation of amendments and/or additions to the Model and to the documentation attached to it where there are

- legislative innovations with reference to the regulation of the liability of entities for administrative offences dependent on crime
- significant changes in the organisational structure or business sectors of the Company, as well as where significant violations or circumventions of the Model and/or critical issues are found that highlight its inadequacy/ineffectiveness, even if only partial.

The Sole Director is competent and responsible for the adoption of this Model as well as its supplements, amendments and updates.

Furthermore, the Sole Director, supported by the Supervisory Board, shall be responsible for the implementation of the various elements of the Model.

It should be noted that, the Company, aware of the importance of adopting a control system on the lawfulness and correctness of the conduct of every business activity, guarantees the functionality, updating and constant implementation of the Model in accordance with the provisions of the Confindustria Guidelines and their updates, as well as on the basis of the *best practices* in the sector, also taking into account the case law rulings on the concrete applications of the Decree.

2.7 The Code of Ethics

The Company's Code of Ethics constitutes the essential foundation of this Model and the provisions of the latter are integrated with the provisions of the Code.

Firecom adopts a Code of Ethics with the aim of making common and widespread the moral values as well as the principles of conduct that guide the operations of the Company, so that all persons operating in the name and on behalf of the same have these elements as the basis of their actions and not only the observance of the laws considered essential.

In particular, it aims to recommend, promote or prohibit certain behaviours, beyond and independently from what is provided for at a regulatory level, defining the principles of "*corporate ethics*" that the Company recognises as its own and on which it calls for the observance of all recipients.

For Firecom the adoption of ethical principles is an essential element of the internal control system, also for the prevention of crimes. In this sense, the rules of conduct set out in the Erico Code represent a basic reference to which Recipients must comply in carrying out their business activities.

The principles and provisions contained in the Code of Ethics apply to corporate bodies, employees, collaborators in any capacity involved, consultants, partners, suppliers and, more generally, to all natural and legal persons who have relations of any nature with the Company.

To ensure the effective implementation of the Code of Ethics, the principles and rules of conduct referred to must be the subject of knowledge and awareness on the part of the Addressees.

3. THE SUPERVISORY BODY

3.1 Identification of the Supervisory Body

Article 6(1)(b) of Decree 231 envisages, among the prerequisites for exemption from administrative liability of the entity, the establishment of a special body with autonomous powers of initiative and control, which is specifically entrusted with the task of supervising the functioning, effectiveness and observance of the model, as well as ensuring that it is updated.

With regard to the composition, in the absence of specific indications by the Decree, the Company has opted for a solution that, taking into account the purposes pursued by the law and the guidelines derivable from published case law, is capable of ensuring, in relation to its size and organisational complexity, the effectiveness of the controls to which the Body is assigned.

It was deemed in line with the Company's needs that the Supervisory Board be of monocratic composition, consisting of 1 member appointed by resolution of the administrative body.

The Sole Director establishes the Supervisory Board (hereinafter also SB), including it in the corporate organisation chart in a position of absolute autonomy (not subordinate to any other corporate function) and called to report exclusively to the same Director.

In particular, the member of the SB must be

- in possession of appropriate professional skills in criminal law and criminal corporate crimes;
- in possession of suitable professional skills in the field of supervision of management systems management systems and audit activities;
- possesses appropriate professional competence in the management of risks to the health and safety of workers in the enterprise.

3.2 Eligibility requirements for the Supervisory Board

In line with the provisions of Decree 231, the requirements of the Supervisory Board, identified by case law, doctrine and the Confindustria Guidelines, can be identified as follows

- Autonomy and Independence: freedom of initiative and the absence of any form of interference or conditioning coming from inside or outside the entity, also having regard to the availability of the resources necessary for the effective and efficient performance of the task;
- Professionalism: the set of skills with which the Supervisory Body must be equipped in order to effectively perform its activity, consisting of specific knowledge in the legal and economic fields, as well as of risk analysis and assessment techniques
- Continuity of action: the constant and continuous control and verification activity on the implementation of Model 231 so as to ensure its actual effectiveness.

3.3 Causes of ineligibility, disqualification and revocation of members of the Supervisory Board

The following constitute causes of ineligibility and disqualification of the members of the Supervisory Board

- holding or having held the position of executive director, in the three financial years preceding the appointment as member of the Supervisory Board, of the Company as well as in companies subject to bankruptcy, compulsory administrative liquidation or similar procedures
- being the recipient of a decree ordering trial in relation to offences of the same nature as those provided for in the Decree;
- having been convicted of offences of the same nature as those set out in the Decree, either in Italy or abroad, even if the conviction is not final, or of the application of the penalty on request (so-called plea bargaining).

It is also grounds for forfeiture with immediate effect if, during the three-year term of office, the requirements that determined the identification of the members themselves at the time of their appointments by virtue of the corporate office or organisational role held cease to exist.

The Sole Director may order the revocation of the Supervisory Board or one of its members only for just cause. The following constitutes grounds for revocation

- the ascertainment of a serious breach by the Supervisory Board in the performance of its duties performance of its duties;
- a conviction of the Company, even if not final, or the application of the penalty on request (plea bargaining), for one of the offences set out in

Decree 231 where it appears from the acts - even incidentally - that the Supervisory Board failed or insufficiently supervised, in accordance with the provisions of Article 6(1)(d) of Decree 231.

In the event of the forfeiture or revocation of one of the members of the SB, the administrative body shall promptly arrange for his replacement.

3.4 Resources available to the Supervisory Board

The Sole Director ensures that the body has the financial, organisational and structural resources necessary to perform its duties and, in any case, guarantees it the financial autonomy required to perform the activities provided for in Article 6(1)(b) of the Decree.

In the performance of its tasks, the Body may make use of the corporate functions that, from time to time, are identified by the same.
from time to time, are identified by it.

Moreover, taking into account the peculiarities of the powers and specific professional contents required in the performance of the assigned tasks, the Supervisory Board avails itself of the structures of the Company specifically appointed for this purpose.

The Body may also avail itself of the collaboration of third parties endowed with requisites of professionalism and competence. The latter must be suitable to support the Body in the tasks and checks that require specific technical skills.

3.5 Tasks and powers of the Supervisory Board

The Supervisory Board is assigned the following tasks

- it supervises the effectiveness of the Model and the dissemination within the Company of the knowledge, understanding and observance thereof
- periodically carries out, on its own initiative or on reports received, checks on certain operations or on specific acts carried out within the Company, and/or checks on external parties involved in activities at risk
- verifies the adequacy of the Model over time, assessing its concrete suitability to prevent the occurrence of the offences set forth in Decree 231 and in subsequent provisions amending the scope thereof

- monitors and promotes the updating of the Model, in order to adapt it to the reference regulatory framework, to changes in the corporate organisational structure and whenever deemed appropriate
- examines and evaluates all information and/or reports received and related to compliance with the Model, including any violations thereof
- verifies the actual implementation of the 231 Model, in particular by scheduling a plan of controls, as well as carrying out spot checks.

In the performance of its duties, the Surveillance Body has unrestricted access to the Company's information, being able to autonomously request information from all the Company's management and employees, as well as from external collaborators and consultants.

The Body may, if necessary and under its direct supervision and responsibility, avail itself of the assistance of all the corporate structures or external consultants.

3.6 Information flows to and from the Supervisory Board

In accordance with the provisions of Article 6(2)(d) of the Decree, "*in relation to the extent of the delegated powers and the risk of offences being committed"* the Model must *"provide for obligations to inform the Body responsible for supervising the operation of and compliance with* the Model*".*

This obligation is intended to facilitate the supervisory activity on the effectiveness of the Model itself, as well as, possibly, to allow the ex post verification of the causes that made it possible for the offence to occur.

Therefore, the Supervisory Board must be promptly informed, by all the corporate subjects, as well as by third parties required to comply with the provisions of the Model, of any news that may be relevant for the purposes of supervising the effectiveness, effectiveness and updating of the Model, including any news concerning the existence of possible violations thereof.

The SB is also required to communicate and report all information on the effectiveness, actual implementation and updating of the Model to the Sole Director and the Board of Statutory Auditors, if any.

3.7 Reporting of potential violations of the Model (Whistleblowing)

Please refer to the specific procedure implemented by the Company

4. MODEL TRAINING AND DISSEMINATION

4.1 Training on the Model

In order for the Model to be a constant reference in the performance of corporate activities, in accordance with the provisions of the Decree, Firecom ensures proper knowledge and dissemination of the rules of conduct contained therein to all Employees.

To this end, the Company, in agreement with the Supervisory Board, will define training programmes, implemented with a different degree of depth in relation to the different level of involvement of the same resources in "sensitive activities", on the contents of this document and the Decree.

Furthermore, the Company has provided for the general and specific contents of the Model to be communicated to all employees at the time of its approval, to new employees at the time of their hiring, and to collaborators at the time their contract is signed.

Therefore, in order for there to be effective and efficient training of all the recipients of this Model, it is necessary

- that the contents are differentiated according to the activity performed within the Company;
- that the training activity be periodical in order to guarantee constant updating according to changes in the reference regulatory framework as well as changes in the internal organisational structure
- that all persons present in the Company are involved, and that they are involved in a manner appropriate to the position held by the persons within the organisation (new employee, clerk, manager, etc.);
- that participation in the training activity must be mandatory and appropriate control mechanisms must be defined to verify the presence of the persons and the degree of learning of each individual participant.

The Supervisory Board periodically verifies the state of implementation of the training plan and has the right to request periodic checks on the level of knowledge, by Employees, of the Decree, of the Model.

4.2 Disclosure of the Model

In line with the provisions of Legislative Decree no. 231/2001 and the Confindustria Guidelines, the Company promotes an adequate dissemination of this Model, in order to ensure that all personnel are aware of all its elements.

In this sense, Firecom undertakes to disseminate the Model in the corporate context through the most appropriate and easily accessible communication channels so that the recipients of this Model can use it effectively and efficiently.

In any case, training activities aimed at disseminating knowledge of the regulations pursuant to Legislative Decree 231/2001 and the prescriptions of the Model adopted will be differentiated in content and methods according to the qualification of the recipients, the risk level of the area in which they operate, and whether or not they have functions of representation of the Company.

4.3 Information to third parties

Firecom promotes knowledge of the principles and rules provided for by the Code of Ethics and this Model also among consultants, partners, collaborators in various capacities, customers and suppliers. These subjects will therefore be provided with specific information and mechanisms for the insertion and acceptance of specific contractual clauses that the various corporate functions, for their respective competences, will insert in the reference contractual schemes.

5. DISCIPLINARY SYSTEM

5.1 Foreword

The definition of a system of sanctions, applicable in the event of violation of the provisions of this Model, is a necessary condition to ensure the effective implementation of the Model itself, as well as an essential prerequisite to allow the Company to benefit from the exemption from administrative liability (pursuant to Article 6, paragraph 2, letter e) of Decree 231).

The application of disciplinary sanctions is irrespective of the initiation and outcome of any criminal proceedings that may have been initiated in cases where the breach constitutes a relevant offence under Decree 231.

The sanctions that can be imposed are diversified according to the nature of the relationship between the author of the violation and the Company, as well as the importance and gravity of the violation committed and the role and responsibility of the author. More specifically, the sanctions that may be imposed are diversified, taking into account the degree of imprudence, inexperience, negligence, fault or intentionality of the conduct relating to the action/omission, also taking into account any recidivism, as well as the work activity carried out by the person concerned and the relevant functional position, together with all the other particular circumstances that may have characterised the fact.

In general, breaches can be traced to the following types of conduct

- conduct integrating a culpable failure to implement the provisions of the Model and/or the Code of Ethics, including company directives, procedures or instructions
- conduct that integrates a wilful transgression of the prescriptions of the Model and/or the Code of Ethics such as to compromise the relationship of trust between the perpetrator and the Company insofar as it is unequivocally preordained to commit an offence;

as well as classified as follows

- violation, including through omissive conduct and in possible concurrence with others, of the provisions of the Model or the procedures established for its implementation and of the Code of Ethics
- the preparation, possibly in complicity with others, of altered or untrue documentation;
- the facilitation, through omissive conduct, of violations of the Model and the Code of Ethics and the drafting by others of altered or untrue documentation;
- the omission to draw up the documentation required by the Model or by the procedures established for its implementation.

The sanctioning procedure is, in any c a s e , managed by the competent function and/or corporate bodies competent corporate bodies, which report to the Supervisory Board in this regard.

Below are the sanctions divided by type of relationship between the person and the Company.

5.2 Measures against employees

In relation to employees, the disciplinary system complies with the limits set out in Article 7 of Law 300/1970 (Workers' Statute) and the provisions contained in the National Collective Labour Agreement for Metalmechanics Small and Medium-Sized Industry Confapi, both with regard to the sanctions that can be imposed and the procedures for exercising disciplinary power.

Failure to comply - by employees - with the provisions set out in the Model constitutes a breach of the obligations arising from the employment relationship pursuant to Article 2104 of the Civil Code and a disciplinary offence.

The adoption, by an employee of the Company, of a conduct that can be qualified, on the basis of what is indicated in the previous paragraph, as a disciplinary offence, also constitutes a breach of the employee's obligation to perform the tasks entrusted to him/her with the utmost diligence, complying with the Company's directives, as provided for by the CCNL in force.

The disciplinary sanctions are those provided for by the collective agreement applied to the employment relationship of the employee concerned, as well as those arising from the application of the general legal provisions on the subject of termination (with or without notice) of the employment contract.

Furthermore, by way of example and in order to highlight the criteria of correlation between non-compliance and disciplinary measures, it is specified that disciplinary measures are applied to any employee who violates the provisions contained in the Model and in all the documentation that forms part of it, or adopts, in the performance of activities at risk, a conduct that does not comply with the prescriptions contained in the Model.

Expulsion disciplinary measures shall be taken in the event that the aforementioned conduct
constitute grounds for termination of the employment relationship with or without notice:

- result in a lack of discipline and diligence in the performance of contractual obligations that is so serious as to damage the Company's trust in the employee
- result in the concrete application against the Company of the measures provided for in Decree 231.

Once the violation has been ascertained, a disciplinary sanction proportionate to the gravity of the violation committed.

The sanctions provided for by the applicable CCNL may be imposed on employees, which by way of example are as follows

a) verbal reprimand

b) written reprimand

c) fine not exceeding the amount of three hours' global remuneration (basic pay and contingency pay);

d) suspension from duty and pay for a period not exceeding three days;

e) dismissal.

5.3 Measures against managers

In the event that managers commit a disciplinary offence, the following measures shall be applied against them in accordance with the provisions of the National Collective Labour Agreement:

- in the event of a non-serious breach of one or more procedural or behavioural rules laid down in the Model, the executive shall be subject to a written warning to comply with the Model, which is a necessary condition for maintaining the fiduciary relationship with the Company;
- in the event of a serious violation - or repeated violations - of one or more provisions of the Model such as to constitute a significant breach, the manager incurs the measure of dismissal with notice;
- where the violation of one or more provisions of the Model is so serious as to irreparably damage the relationship of trust, not permitting the continuation, even temporary, of the employment relationship, the worker incurs the measure of dismissal without notice.

5.4 Measures against the Board of Auditors, if any, and the Supervisory Board

With reference to violations attributable to auditors, the Supervisory Body of Vigilance shall immediately inform, in a written report, the Board of Statutory Auditors and the administrative body,

which may convene the Shareholders' Meeting pursuant to Article 2366 of the Civil Code for the measures within its competence.
jurisdiction.

In the event of offences committed by the Supervisory Board, the Sole Director shall be promptly informed and the same, having heard the Board of Statutory Auditors where existing, may recall in writing the person holding the office or revoke it depending on the seriousness of the offence committed.

The sanctions provided for employees and executives falling into
such categories.

5.5 Measures against external persons in a contractual relationship with the Company

Any conduct by collaborators, consultants or other persons connected to Firecom by a contractual relationship, in violation of the provisions of the Model and/or the Code of Ethics, may determine, in accordance with the provisions of the specific contractual clauses included in the letters of appointment or even in their absence, the termination of the contractual relationship, without prejudice to any claim for compensation if such conduct causes damage to the company, even independently of the termination of the contractual relationship.

5.6 Measures in the area of whistleblowing management

The Company, in order to protect the identity of the whistleblower and the whistleblower from any acts of retaliation or discrimination, has the option of applying the appropriate sanctions in the event of a breach of whistleblowing regulations by persons who have violated the measures for the protection of the whistleblower, as well as by those who make, with malice or gross negligence, reports that turn out to be unfounded.

In the event of violations in this area, the Supervisory Board shall promptly inform the Sole Director and the Board of Auditors of the Company. Illegal conduct will be sanctioned as described above.