

## **APPLICATION OF THE ETHICAL CODE AND OF THE ORGANIZATION, MANAGEMENT AND CONTROL MODEL OF EMAK S.p.A.**

**A procedure has been adopted for the management of reports received by the Supervisory Body, and suitable communication channels have been set up in order to allow for the reporting of breaches of the Ethical Code and of the Organization, Management and Control Model.**

**Address:**

**SUPERVISORY BODY c/o EMAK S.p.a.**

**Via E. Fermi, 4**

**42011 Bagnolo in Piano (RE)**

**E-mail:**

**odv.emak@legalmail.it**

### **# Procedure**

#### **MANAGEMENT PROCEDURE FOR REPORTS RECEIVED BY THE SUPERVISORY BODY**

##### **1. AIM**

The aim of this procedure is to set up communication channels for complete and rigorous monitoring of reports to be forwarded to the supervisory Body dealing with matters regarding the company's administrative responsibility (breaches of the Procedure, of the Ethical Code and of the Management, Organization and Control Model).

##### **2. DEFINITIONS**

###### **2.1 Report**

Any information relating to presumed criticisms, irregularities, breaches, conduct and reprehensible actions, or in any case any practices not conforming to what is set out in the Ethical Code and in the Organization, Management and Control Model, or in any case actions which may cause damage to Emak, and to its image, concerning employees, members of the corporate bodies (Board of Directors, Board of Auditors), Emak's external auditing companies and to third parties (business partners, customers, suppliers, consultants and freelance collaborators).

###### **2.2 Anonymous report**

Any report in which the personal details of the reporting person or body are not given or traceable.

###### **2.3 Report in bad faith**

Reports without factual basis, made with the sole aim of damaging, or in any case creating prejudice, with regards to employees and to members of the corporate bodies.

###### **2.4 Reporting persons or bodies**

Reports may be forwarded by the following persons: Emak's employees (including managers), members of the company's corporate bodies, business partners (persons or bodies in a commercial relationship with the company), suppliers (persons or bodies in a supply relationship with the company) and freelance collaborators (persons or bodies in a negotiable relationship with the company, providing services on a regular basis).

### **2.5 Persons or bodies reported**

Reports may concern employees (including managers), members of the company's corporate bodies, partners, suppliers, collaborators and shareholders.

### **2.6 Receiving persons or bodies**

The persons or bodies receiving reports are the members of the Supervisory Body, as well as Company Department Managers who must, in any case, send in good time original copies of reports received to the Supervisory Body following the criteria of confidentiality in order to ensure effective controls and in order to protect the good name of the persons affected by the report.

## **3. GUARANTEES**

**3.1 Guarantee of anonymity** All Emak's organizational departments affected by the receipt and processing of reports must guarantee the absolute confidentiality and anonymity of the reporting Persons or Bodies. Emak shall sanction any form of threat or recrimination made towards the reporting Persons or Bodies.

### **3.2 Anonymity**

Reports made by anonymous persons or bodies shall not be taken into consideration.

**3.3 Reports in bad faith** Emak shall take action to prevent insulting and defamatory conduct. The Supervisory Body guarantees appropriate sanctions against reports made in bad faith, censoring such conduct and informing the company in the event of ascertained bad faith.

## **4. PROCEDURE**

**4.1 Communication** The channels of communication made available by Emak to allow for the forwarding of reports are, by way of example and not in exhaustive terms:

E-mail ([odv.emak@legalmail.it](mailto:odv.emak@legalmail.it))

Ordinary post (**Organismo di Vigilanza c/o Emak S.p.a. – Via Fermi, 4 – 42011 Bagnolo in Piano**

– RE))

Delivery by hand in the letterbox in the Emak reception (marked "**Cassetta OdV**")

**4.2 Administrative Organization** In the event that the report is not addressed directly to the Supervisory Body, the receivers of the report (employees, members of the corporate bodies, external auditing companies) forwards the original copy of the report in good time to the Supervisory Body. The Supervisory Body:

Receives and records each report in an appropriate document that goes under the name of "**Registro delle segnalazioni**" (Reports Register);

Records the information relating to each report received on the "**Report form**".

**4.3 Assessment** The Supervisory Body has the authority to decide whether to proceed or not with further controls, justifying in writing the decision taken in the Register of Meetings of the Supervisory Body. All reports, unless in anonymous form, are subject to a preliminary check. Upon concluding the assessment procedure, the Supervisory Body updates the Reports Register and, in the event of a decision not to take further action, files the report.

**4.4 Audit** Auditing activities are carried out by the Supervisory Body together with the Department Managers,

evaluating individual circumstances:

- a. communicating in writing the results of its assessment to the Department Managers in the event that the controls give rise to aspects requiring improvements;
- b. obtaining from the above Department managers a **Plan of Action**, with relative timings, concerning the operations requiring improvement, as well as the details of changes that need to be made in order to eliminate critical situations. The Plan of Action must also set out the respective deadlines of corrective actions and indicate the position and name of the person responsible for the implementation of the corrective action.
- c. notifying in writing any conduct not conforming to the Model and with company procedures for the purpose of:
  - i. acquiring all necessary information for possible communication to the appropriate authorities for the determination and application of disciplinary sanctions;
  - ii. avoiding repetition of the circumstance and for this purpose providing indications for the elimination of shortcomings. The actions referred to in point c) above shall be communicated in writing, in the shortest possible time, by the Supervisory Body to the Chairman's Committee and to the Board of Auditors, also requesting the support of company structures able to assist in the assessment activity and in the identification of suitable actions aimed at preventing the repetition of similar circumstances.

**4.5 Follow-up** The Supervisory Body, through the participation of the competent Department Managers, guarantees the monitoring of the progress of the Plan of Action. The Supervisory Body updates the Register upon termination of the plan of action.

**5. ACCOUNTING** On an annual basis, the Supervisory Body shall submit to the Board of Directors, as well as to the Board of Auditors and to the external Auditing Company, a written account that sets out the reports received during the period of reference, as well as the state of progress of work concerning reports received. In addition, the Supervisory Body guarantees the provision of suitable information regarding the outcome of action taken to the persons or bodies that have forwarded reports.

**6. DATA STORAGE** All information and every report and account are to be stored by the Supervisory Body in a suitable archive (computerised or in paper form), under the name of "**Registro delle Segnalazioni**" (Reports Register), furnished with the highest levels of security/confidentiality used by Emak. Access to the archive is only granted to members of the Supervisory Body. Processing of the data of the persons involved and/or referred to in the reports is safeguarded according to the laws in force and to the company's procedures concerning privacy.