

# ALMAG S.P.A. SUPERVISORY BOARD REGULATIONS

## Article 1 Purposes and scope

**1.1** Within ALMAG s.p.a (hereinafter referred to as the “Company”) a Supervisory Board (hereinafter referred to as “OdV” – Organismo di Vigilanza) is hereby set up with respect to the functioning, effectiveness, compliance with and continuing updating of the organization and management Model (hereinafter “MOG”), adopted by the Board of Directors (hereinafter “BoD”) in order to prevent any wrongdoing from which administrative liability could derive, by applying the provisions of Legislative Decree no. 231 of 8 June 2001, concerning the *“Rules on the administrative liability of legal entities, Companies and associations, also deprived of legal status, under article 11 of Law no. 300 of 29 September 2000”*.

**1.2** These regulations have been prepared by the OdV in order to regulate its functioning, identifying its powers and tasks.

**1.3** The OdV must base its activities on principles of autonomy and independence.

**1.4** As a guarantee of impartiality, the OdV is in a position that directly reports to the Company management, the CEO and the Board of Directors.

## Article 2 Appointment and composition

**2.1** The OdV is a body composed of three members, one of whom acts as Chairman.

**2.2** The BoD of the Company appoints the OdV members. The number and the qualification of the OdV members are determined by the BoD.

**2.3** The BoD appoints the Chairman who is responsible for the formalities related to the convocation, the agenda and the proper execution of the OdV meetings.

**2.4** The OdV members can, if they consider it appropriate, appoint a secretary with operational tasks.

**2.5** The OdV appointment must be disclosed to each selected member and formally accepted by them. The conferral of the assignment will be formally communicated by the BoD at all corporate levels, through the publication of an internal memo which will explain the OdV powers, tasks and responsibilities as well as its hierarchical and organizational position and purposes.

## Article 3 Requirements

**3.1** The OdV members must satisfy the following requirements:

**Autonomy and Independence:** the OdV performs its duties with complete autonomy and independent financial resources; its activities cannot be reviewed by any other Corporate body or structure; it has unrestricted access to all Company functions without the need for prior approval; it may, under its direct supervision and responsibility, avail itself of the support of any company department or of external consultants, who are bound to the same conditions of confidentiality as the OdV members.

- **Professionalism:** the OdV members need to have adequate legal, technical and accounting skills in order to guarantee the proper functioning of the OdV activities as required by the Law.
- **Respectability:** the Odv members need to meet precise requirements of respectability, in order not to compromise their independence of judgment, authority and ethical conduct.
- **Continuity of action:** the OdV must be able to ensure the necessary continuity in carrying out its duties, also by scheduling activities and controls, writing minutes of meetings and governing information flows from any Company structure.

#### **Article 4**

##### **OdV Convocation, voting and deliberations**

**4.1** The OdV must meet at least three times a year, or whenever its Chairman deems fit, or whenever at least one member requests the Chairman to call a meeting.

**4.2** The OdV meeting shall be called by its Chairman by written invitation indicating the items on the agenda, sent to each member at least 2 (two) days before the date set for the meeting or, in case of emergency, without any notice. Alternately, the date and the agenda can be established by a resolution approved at the OdV previous meeting. The meeting agenda may also derive from the Action plan approved by the OdV. If the Chairman does not promptly call a meeting upon request of another OdV member, he or she may ask the Company CEO or the Chairman of the BoD to call a meeting within 3 (three) days according to the provisions established in these regulations.

**4.3** In any case, the meeting which, despite the absence of a formal call under the paragraph above, is attended by all the members of the OdV is deemed validly called.

**4.4** The Chairman has the faculty to rule that the OdV proceedings shall be carried out by telephone conference if one of the members is not able to physically attend the meeting.

**4.5** OdV meetings are validly convened with the presence of the majority of its members and of its Chairman or, if the latter is absent or unable to act, with the oldest member present.

**4.6** Every member is entitled to one vote. The OdV resolutions are valid if they are adopted by the majority of its members or, in the presence of two members, unanimously.

**4.7** Every OdV member is obliged to refrain from voting when he or she is in a situation of conflict of interests with reference to the item on the agenda.

**4.8** In the event of failure to fulfill this obligation, the resolution is deemed invalid if, without the vote of the member who should have refrained from voting, there would have been no majority.

#### **Article 5**

##### **Minutes of the meetings**

**5.1.** Minutes of the OdV meetings must be redacted and specifically transcribed in a book or register which shall be preserved in the archive made available to the OdV by the Company.

**5.2.** The minutes must be undersigned by all present members.

## **Article 6**

### **Term of office**

**6.1** The OdV remains in office for three years and its members can be re-elected, without prejudice to the possibility of early revocation, in case of major and verified infringements or conflict of interests, or of removal from office, if the BoD verifies a violation of the respectability requirement.

## **Article 7**

### **Functions and powers**

**7.1** The OdV has, on a general level, the task of:

- ensuring that the provisions contained in the Model to prevent offences as per Legislative Decree no. 231/2001 are observed by the relevant individuals for the different types of crimes foreseen;
- verifying the adequacy of the Model in relation to the company's structural and legal changes and its effective capacity to prevent offences being committed as per Legislative Decree no. 231/2001;
- notifying the Board of Directors of any need to update the Model after eventual management or operational changes within the Company or after any legislative adjustments, also with the aid of the different departments involved;
- supervising the suitability of the system of delegated powers and the responsibilities assigned, in order to ensure the efficacy of the Model.

**7.2** On the operational front, the OdV has the task of:

- drawing up and implementing a program of periodic checks on the actual application of corporate control procedures for the "Risk Activities Areas" and on their efficacy, bearing in mind that the primary responsibility for control of the activities is still demanded to the operational management, and forms an integral part of company processes;
- gathering, processing and storing all relevant information about the Model and, if necessary, updating the list of information that must be transmitted or made available to it.
- monitoring the activities in the risk areas. To this end, the OdV is kept constantly informed about the development of activities in the risk areas and has unrestricted access to all Company documentation.

All staff must report to the OdV any corporate activity that could expose the Company to the risk of criminal offences;

- conducting the necessary internal investigations to verify alleged violations of the Model provisions;
- verifying that the elements included in the Model for the different types of criminal offences (e.g. adoption of standard clauses, performing procedures, separation of responsibilities, etc.) are adequate and in compliance with the provisions of Legislative Decree 231/01, and, if not, requiring an update of those elements;
- promoting, also with the collaboration of the managers of the various Company departments, appropriate initiatives for spreading awareness and understanding of the Model itself throughout the Company staff;
- coordinating efforts with the managers of the various company departments to ensure the preparation of the internal organizational documentation which is necessary for the proper operation of the Model itself, containing instructions, clarifications or updates;

reporting to the Company departments responsible for disciplinary actions potential infringements of the Code of Ethics committed by the staff, in order to undertake the necessary remedial action;

formulating opinions regarding the need to revise Company policies and procedures, in order to make them consistent with the Code of Ethics.

**7.3** To fulfill its duties exhaustively, the OdV:

has unrestricted access to all the Company functions, without the need for prior notice or approval, in order to obtain any information or data considered necessary for the performance of the duties as envisaged by law;

may, under its direct supervision and responsibility, avail itself of the support of any Company department or of external consultants;

has a budget deemed appropriate to cover the expenses necessary to perform its functions (specialized consultancy services, missions and business trips, training etc.)

implements its activities without consulting any other corporate body or department, answering exclusively to the CEO and to the Board of Directors.

**7.4.** The OdV draws up, at least once a year, an activity report and submit it to the Board of Directors and to the Board of Statutory Auditors at the first possible meeting. When it is deemed necessary, the OdV can however suggest to the CEO changes and/or additions of the Organizational Model, notifying the Board of Directors at its first subsequent meeting.

**7.5.** Communications from the OdV to the Company bodies will be made through the following e-mail address:

odv.231@almag.it.

## **Article 8**

### **Obligations to inform the Supervisory Board (OdV)**

**8.1** The OdV must be promptly informed, via a designated internal communication system, of any acts, practices or events that could cause a violation of the Model or that, in general, are deemed sensitive for the purposes of the Legislative Decree 231/2001.

The obligation to report any practices that violate the provisions of the Model falls under the broader duties of care and employee's fidelity established by the Italian Civil Code, the collective labor agreement and the disciplinary regulation.

**8.2** The correct performance of the employee's obligation to provide information cannot give rise to the application of disciplinary sanctions.

In this regard, the following general rules apply:

the OdV must be informed about all inspections by public authorities (e.g. Italian Revenue Agency, Guardia di Finanza, ASL, INPS, INAIL etc.);

any reports on the following must be gathered: i) the commission, or reasonable risk of commission, of the crimes specified in the Legislative Decree 231/2001;

ii) "conducts" that do not comply with the Company's regulations; iii) conducts that, in general, could result in a violation of the provisions of the Model;

Any employee who becomes aware of an infringement (or alleged infringement) of the Model, of an episode or conduct falling under the previous list, must directly report it to the OdV by using the designated e-mail address [odv.231@almag.it](mailto:odv.231@almag.it) or by putting his/her report in the specific mail box, in order to facilitate the information flow from those people who do not have an e-mail account.

The procedures of the abovementioned reports are established in the Company Disciplinary Regulations, as per art. 6 paragraph 1 letter e), Legislative Decree 231/01;

- in order to collect the said reports efficiently, the OdV will notify all the concerned parties of the reporting methods and forms;
  - the OdV will assess at its discretion and on its responsibility the reports received and the cases in which it is necessary to take action. Those who report the above circumstances in good faith are protected against any form of retaliation, discrimination or penalty and in any case, the identity of the reporting party shall remain confidential, except as required by law and to protect the rights of the Company or of the people wrongly accused and/or accused in bad faith.
- 8.3.** To receive documents and any other communications from the Company as well to send communications to the Company, the OdV will use this e-mail address: [odv.231@almag.it](mailto:odv.231@almag.it).

## **Article 9**

### **Information gathering and storing**

- 9.1.** All reports sent to the OdV via its e-mail address or addressed to it and sent to the Company via ordinary mail are brought to the attention of the OdV at its first available meeting or, if it is necessary or advisable, promptly.
- 9.2.** When a member of the OdV receives reports or information via a channel different from its e-mail address or ordinary mail, he or she must brought the matter to the attention of the OdV at its first available meeting or, if it is necessary or advisable, promptly.
- 9.3.** At the end of the activities regarding the treatment of the report received, the OdV will give a feedback to the person who sent that report, except for anonymous reports.

## **Article 10**

### **Confidentiality obligations**

- 10.1.** The members of the OdV must observe the obligation of confidentiality on all the information they learn about while carrying out their duties and manage it within the limits of these Regulations and current law.
- 10.2.** The OdV member must ensure the confidentiality of the information they become aware of - with special reference to any reports received by them on alleged breaches of the Model - and abstain from looking for and using said information for other purposes than those set out in art. 6, Legislative Decree 231/01.
- 10.3.** In any event, all information available to the OdV members shall be processed in accordance with the Consolidated Data Protection Code, Legislative Decree no. 196/03.

## **Article 11**

### **Company collaborators and consultants**

- 11.1** In carrying out the tasks assigned to it, the OdV may, under its direct supervision and responsibility, avail itself of the cooperation, knowledge and professional skills of all Company units and departments or external consultants. In this way the OdV can guarantee a high level of professionalism and the required continuity of action.
- 11.2.** The collaborators are required to comply with the same confidentiality and diligence obligations as the Odv members.

**Article 12**  
**OdV Financial resources**

**12.1** The Board of Directors assigns to the OdV an annual expenditure budget, considering the OdV demands. This budget allocation allows the Odv to work autonomously and with the proper instruments in order to carry out its duties efficiently.

**12.2.** The budget allocation will be carried out by the Administrative Department, at the request of the OdV Chairman or of another member specifically appointed; the Odv will have to submit to the Board of Directors a report about such budget, explaining its expenses and choices.

**12.3.** The Supervisory Board can exceed its budget in the event of exceptional and emergency situations, but it is required to immediately notify the Board of Directors, explaining the expenses and choices made.

**12.4.** The allocation of the resources in excess will be carried out by the Administrative Department, at the request of the OdV Chairman or of another member specifically appointed.

**Article 13**  
**Approval and modifications of these Regulations**

**13.1** These Regulations have been approved by the OdV.

**13.2** Any amendment and/or addition to these Regulations can be made only by the OdV itself through regularly approved decisions.

**13.3** The amendments shall enter into force when they are approved by the OdV, subsequently the Board of Directors of the Company will be notified.