

# VHERNIER

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## VHERNIER S.P.A. ORGANIZATION, MANAGEMENT AND CONTROL MODEL FOR THE PREVENTION OF CRIMES pursuant to Legislative Decree 231/2001

### ORGANIZATION, MANAGEMENT AND CONTROL MODEL PURSUANT TO LEGISLATIVE DECREE 231/2001

The first edition of this Model, the Code of Ethics and the Regulations of the Supervisory Body, was approved and adopted, in compliance with article 6 of Legislative Decree 231/2001, on 20 December 2019 by the Board of Directors of VHERNIER S.p.A.

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## **GENERAL SECTION**

### **1. PRESENTATION**

VHERNIER, incorporated as a S.p.A. on 22 October 2007, with fully paid-up share capital of € 7,000,000.00, tax code and VAT number 01150040069, has its registered and administrative office in Milan, via Borgonuovo 24.

The company, in accordance with its articles of association, operates in the field of marketing and/or producing gold jewellery, jewellery in general, gifts, watches, costume jewellery, perfumes, leather goods and fabrics, eyewear, fashion accessories and complementary objects, furniture and furnishing accessories, etc.

VHERNIER S.p.A. can be defined as the parent company of a multinational group which operates with wholly-owned subsidiaries in the luxury market.

#### **Parent company**

VHERNIER S.p.A. can be defined as the parent company of a multinational group because it is in a position of control, pursuant to Article 2359, paragraph 1, numbers 1) and 2) of the Italian Civil Code with respect to the following operating companies in which it holds a 100% interest:

- Vhernier U.S.A. LLC, with registered office in Wilmington, Delaware, The United States of America, and administrative office in New York, The United States of America
- Vhernier Suisse S.A. based in Geneva, Switzerland
- Vhernier France Sarl based in Paris, France
- Vhernier UK Limited based in London, United Kingdom
- Stelt UK Ltd. based in London, United Kingdom in voluntary liquidation

The Group of companies is a group of legally autonomous and independent companies, each one of which, while being part of the parent company's strategic coordination and unified general management activity, constitutes an autonomous centre of retail and/or wholesale marketing and promotion of Vhernier-branded products in their respective territorial areas of responsibility.

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## **Intercompany Relations**

Considering that each company has its own independent organization and autonomous and independent decision-making capabilities, albeit as part of a shared business project, any services provided by the Parent Company to Group companies (and vice versa) are governed by specific distribution contracts which include:

- Identification of sales terms and conditions of the products at market value;
- Inclusion of specific clauses within which each party undertakes not to adopt conduct that conflicts with the law and in particular with Legislative Decree 231/2001, the provisions of the Code of Ethics and the 231 Model adopted by VHERNIER S.p.A.

When providing services, the Company complies not only with the Code of Ethics, but also with the provisions of this Model and the procedures established for its implementation.

## **Responsibilities of the parent company**

The concept of groups of companies is not specifically regulated by the law, although there are some regulations, such as, for example, Article 2359 of the Italian Civil Code regarding "control and association" and Article 2497 of the Italian Civil Code. On the subject of "management and coordination" (responsibility of the parent company for management and coordination activities towards the shareholders and creditors of the companies managed) and Article 2497 septies of the Italian Civil Code on the subject of "coordination between companies", which confirm the importance, also from a legal and economic point of view, of the phenomenon of companies organized as a group.

It follows that the Group does not consist of a direct centre of attribution of liability pursuant to Legislative Decree 231/2001. According to decisions by the Supreme Court of Cassation (see Court of Cassation VI Penal Section no. 2658 of 21 January 2014), it is not possible to infer the liability of subsidiaries from the mere existence of a relationship of control or association within a group of companies; moreover, it is necessary to verify the interest of or benefit for the entity in the commission of the offence in concrete terms (see Court of Cassation V Penal Section no. 24583 of 20 June 2011).

It cannot, therefore, be held that belonging to a group in itself implies that the choices made, for example, by the subsidiary pursue an interest that goes beyond its own, being attributable to the entire group or to its parent or controlling company. Company control or management and coordination activities cannot, at the top management level of the parent company, be the basis of liability for failure to prevent the crime committed in the subsidiaries' activities (see Article 40, paragraph 2 of the Italian Penal Code). No provision, in fact, provides the top management of the parent company with the legal obligation and the necessary powers to prevent crimes in the subsidiary.

For these reasons, the parent/controlling company will be held liable for the crimes committed by the subsidiaries if:

- a) a predicate crime has been committed in the immediate and direct interest or for the benefit not only of the subsidiary but also of the parent company;
- b) natural persons, functionally associated with the parent company, take part in the committing of the predicate offence and make a causally significant contribution (see Court of Cassation V Penal Section no. 24583 of 20 June 2011; Court of Cassation Penal Section 29 January 2013, no. 4324; Court of Cassation Penal section 9 December 2016, no. 52316), for example in the case of:
  - criminally unlawful directives, if the essential aspects of the criminal conduct of those involved can be inferred in a sufficiently clear manner from the programme laid down by top management.

Considering the abovementioned principles, the company VHERNIER adopts and implements the 231 Model in accordance with the indications of the legal system and decisions of the court.

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## Parent company funding

To prevent corporate creditors from being disadvantaged, in favour of the controlling shareholder, the law extends the provisions governing shareholder loans of limited liability companies pursuant to Article 2467 of the Italian Civil Code to groups of companies (subordination of payables due to shareholders to those of other corporate creditors).

In particular, deferment concerns loans made by the parent company to subsidiaries and by a group company in favour of another group company of which it is not a shareholder.

The legal obligation of subordination is triggered when one of the following conditions occurs:

- there is an imbalance between company assets and debts;
- financial difficulties of the company where a contribution would have been reasonable (e.g. to overcome a period of crisis or to finance expansion programmes).

See Special section Financial resources process

\* \* \* \* \*

In order to ensure proper and effective transparency in the management of the company and its activities, VHERNIER S.p.A. has integrated and strengthened the Internal Control System, adopting an Organization, Management and Control Model for the prevention of crimes in line with the provisions of Legislative Decree no. 231 of 8 June 2001 and subsequent amendments and additions.

This was done, in spite of the optional and non-mandatory provisions of Decree 231, in the belief that the Organisational Model can be a valid tool for raising awareness among all Recipients (the management body and statutory auditors, employees, contractors, stakeholders, subsidiaries and other parties involved in the same) so that correct and consistent conduct is followed in order to prevent the risk of commission of crimes contemplated in the aforementioned Legislative Decree 231/2001.

## Structure of Organizational model – Summary

This document, which has been prepared for the adoption of the Organization, Management and Control model by VHERNIER S.p.A. pursuant to Legislative Decree no. 231 of 8 June 2001, in compliance with the principles of transparency and accounting correctness, the management of the subsidiaries and their respective financial and economic autonomy, takes into account:

- that each company in the group, individually subject to the obligations of Decree 231, carries out operational activities independently;
- the financial statements of the subsidiaries to be included in the consolidated financial statements as a single result;
- any centralized procedures in the management of the group's financial resources;
- the characteristics of related contractual relations, authorisations relating to the inputs supplied, controls on the outputs obtained and intercompany invoicing, intergroup transactions and mechanisms for determining the transfer price;
- specific profiles relating to transnational activity and identification of financial and economic processes carried out at a transnational level;
- while respecting the decision-making autonomy of each subsidiary, the possibility of identifying certain minimum control principles;
- where appropriate, the activities carried out by subsidiaries in the risk assessment;
- the arrangements, conditions and terms of any loans made to subsidiaries.

The management and coordination activity will be carried out through verifiable communications.

The parent company will promote the exchange of information between corporate bodies and functions or updates in the case of legislative changes or organisational changes affecting the entire group.

This Organization and Management 231 Model is divided into different sections for efficiency, although it must be considered as a whole with all the parts inseparably connected. It has been set out and developed in the following logical and chronological order:

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- 1) company organization chart;
- 2) identification of sensitive activities within the scope of which crimes may be committed;
- 3) formation and adoption of specific protocols (constitutive elements of the Model) aimed at:
  1. organizing how VHERNIER S.p.A. makes and implements decisions in relation to the predicate offences to be prevented;
  2. identifying the procedures for managing financial resources suitable for preventing the commission of crimes;
- 4) information obligations towards the Supervisory Body on the operation of and compliance with the Model;
- 5) introduction of a disciplinary system for failure to comply with the measures indicated in the Model.

The Model will be periodically reviewed and modified in the event of significant violations of the provisions that may give rise to changes in the acceptable risk of prevention of predicate offences in sensitive areas or changes in the organisation or corporate activities or in the reference standards.

## 1.1 GENERAL PRINCIPLES AND DEFINITIONS

The rules of the 231 Model are aimed at ensuring that VHERNIER S.p.A. carries out its activities on the basis of the principles of honesty, transparency, fairness, independence, objectivity, legality, professionalism and confidentiality.

In particular, VHERNIER S.p.A. undertakes to:

- carry out its business in a professionally correct manner, refraining from any conduct contrary to or not in compliance with the law;
- adopt an internal organizational structure suitable to prevent incorrect and/or unprofessional conduct and/or contrary to or not compliant with the law;
- comply with the 231 Model and ensure that the recipients and any other parties identified from time to time comply with it.

The company adopts rules and procedures that make it possible to identify in advance, manage with fairness and transparency and prevent the occurrence of conduct or situations which are incorrect, unprofessional, contrary to or not in compliance with the law and to allow a prompt reaction to such situations arising.

VHERNIER S.p.A. has adequate organisational resources and structures to ensure the efficient administration and management of its business operations and adopts conduct, also in relation to accounting, which is suitable for transparent and efficient administration. The Recipients of the models of conduct shall communicate to the appointed function all information which is useful for checking possible conflicts.

### Control system

With reference to identified Sensitive Areas and Activities, the control system, developed by the Company based on "best practices", includes:

- "general" control standards, applicable to all Sensitive Activities;
- "specific" control standards, applicable to specific Sensitive Activities and reported in the individual Special Sections.

### General control standards

The following general control standards shall be taken into consideration and applied with reference to all Sensitive Activities:

- a) segregation of functions/activities which requires compliance with the principle of separating the functions of authorization, implementation and checking;
- b) powers of authorisation and signature which must be:
  - 1.1. consistent with the organisational and management responsibilities assigned, including, where required, an indication of the thresholds for the approval of expenses;
  2. clearly defined and known within the company;
- c) traceability: all transactions relating to the sensitive activity must, where possible, be properly recorded and archived. The decision-making, authorisation and implementation process for the sensitive activity must be verifiable ex post.

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## Specific control standards

On the basis of the general control standards shown above, specific control standards, which make reference to the former, are drawn up so that:

- a) all operations and the making and implementation of Company decisions comply with the principles and requirements contained in the provisions of the law, the Articles of Association, the Code of Ethics and company procedures;
- b) company policies designed to provide principles of conduct, operating procedures for carrying out sensitive activities, as well as procedures for storing relevant documentation, are defined and adequately communicated;
- c) for all operations:
  - management, coordination and control responsibilities are formalized inside the company, as well as the levels of hierarchical dependence and a description of the related responsibilities
  - the stages of preparing documents and the authorization levels for the preparation of documents are always verifiable and can be reconstructed, in order to guarantee the transparency of choices made;
  - the Company adopts measures for communicating the powers of signature conferred and a system of proxies and powers of attorney;
  - the assignment and exercise of powers in a decision-making process is consistent with the positions of responsibility and the relevance and/or criticality of the underlying economic transactions;
  - there is no subjective identity among those who make or implement decisions, those who must provide accounting evidence of the operations decided upon and those who are required to carry out the checks required by law and the procedures included in the internal control system.

## DEFINITIONS

Company managers	All those who are responsible for implementing the provisions of this model
Supervisory body (SB)	The body responsible for supervising the functioning of and compliance with the Model and its revision
Recipients of the model	All the members of the management body and the control body, employees, independent contractors, consultants and all other parties involved
Consultants	Those who work with or act in the name and/or on behalf of VHERNIER S.p.A. on the basis of a mandate or other agreement for services or professional relationship
Legislative decree 231/2001 or Legislative decree	Legislative decree no. 231 of 8 June 2001 and subsequent amendments and additions
VHERNIER S.p.A. - Business - Company	The company VHERNIER S.p.A. with registered office in Milan, via Borgonuovo 24, tax code and VAT no. 01150040069
Shareholders	All parties, whether they are natural persons, collective entities, with or without legal personality, public or private, holding shares in VHERNIER S.p.A.
Subsidiaries	All companies in which the Company has an interest, and which are subject to control pursuant to Article 2359 of the Italian Civil Code.
Corporate bodies	The members of the Board of Directors and the Board of Statutory Auditors of VHERNIER S.p.A.

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<b>Model</b>	Organization, management and control model envisaged by Legislative Decree 231/2001
<b>Public authority (PA)</b>	Public Authority, including its officials and parties in charge of a public service
<b>Partners</b>	Contractual parties of VHERNIER S.p.A., whether natural or legal persons, which cooperate or work together with the company
<b>Sensitive processes</b>	Activities of VHERNIER S.p.A. in the context of which there is a hypothetical risk of commission of crimes
<b>Crimes</b>	Predicate offences to which the provisions of Legislative Decree 231/2001 apply

## 2. INTRODUCTION

VHERNIER S.p.A. intends to comply with the rules introduced into the legal system by Legislative Decree 231/2001 on the administrative liability of entities.

For this reason, the company has involved its board of directors, statutory auditors, managers, employees and external providers of professional services to implement the Model pursuant to Legislative Decree 231/2001.

The Organizational Model includes a control system to ensure the measures adopted are suitable over time. These will be revised following changes in the organization, company activities as well as in relation to the evolution of scientific and technological progress, and regulatory changes.

The Organizational Model also includes the continuous training of managers and employees for implementing the Model. The company intends to inform all recipients (board of directors, staff/independent contractors, partners, subsidiaries etc,) of the set of duties and conduct to which they are bound in performing their functions and/or appointments with reference to the processes subject to risk, as identified in the 231 Model.

### 2.1. Agreements for the provision of services with contractors

The company has a contract with the Engineering firm of Jacopo B. Orsi which provides the prevention and protection service pursuant to Article 31 of Legislative Decree 81/2008 (occupational health and safety protection).

VHERNIER also has the following agreements:

- an agreement for consulting and the provision of services with Easy Tech with regard to IT services;
- a contract for the provision of services with Studio Pontivi for accounting and correct processing of pay slips and for assistance in labour law matters.

As part of its business activity, VHERNIER may sign new contracts for the provision of services and/or collaborative arrangements with other third parties.

In this regard, VHERNIER informs its subsidiaries and third parties of its 231 Model and Code of Ethics and requests them to transmit their respective Code of Ethics or Code of Conduct and the Organizational Models pursuant to Legislative Decree 231/2001, if adopted.

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## 3. GOVERNANCE and ORGANIZATION CHART

### Deliberative body

The shareholders' meeting chaired by the Chairman of the Board of Directors.

### Management and Representation body

The Board of Directors, consisting of seven members, is responsible for the ordinary and extraordinary management of the company. The Chairman of the Board of Directors is responsible for acting as the company's representative and this may also be granted to the Executive Directors within the limits of the powers conferred on them and for the acts for which they are responsible, as shown in the resolutions appointing them and the chamber of commerce search. Representation may also be granted to individual directors as per the chamber of commerce search.

### Chairman of the Board of Directors

Carlo Traglio - Chairman of the Board of Directors.

### CEO

Maurizio Traglio.

### Executive Directors

The Board of Directors has appointed the following Executive Directors:  
Isabella Traglio, Paola Ogliari.

The Board of Directors has appointed the following Directors without powers of attorney:  
Angelo Riva.

The Articles of Association include the possibility for the Chairman to appoint special proxies or grant full or partial powers of attorney.

### External control body

The Board of External Statutory Auditors consists of three regular auditors and two substitute auditors appointed by the Shareholders' meeting. Statutory Auditors remain in office for three years and are eligible for re-election.

The external auditors are PRICEWATERHOUSECOOPERS S.P.A.

### Integrity and professionalism requirements

The members of the management and control bodies are in possession of the requirements of professionalism, integrity and independence required by the specific functions.



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## 3.1. Organization chart and company managers

ACRONYM	COMPANY FUNCTION	NAME (Name and Surname)
AMM/RL (management and legal representation)	Chairman and Legal representative CEO and Legal representative	Carlo Traglio, Maurizio Traglio
ACQ (purchasing) SG (general services)	Purchasing manager General services manager	Isabella Traglio Monica Conti
GAF (administration and finance)	Administration, Finance and Credit manager	Paola Ogliari
COM (commercial)	Commercial and Budget control manager	Andrea Broggian
UVI (sales)	Sales and Retail Sales manager	Andrea Broggian, Marco Ballauco
RULC	Head of Legal and Contracts Department	Maurizio Traglio, Paola Ogliari
RSPP	External officer managing prevention and protection in the work place	Ing. Jacopo B. Orsi
RA	Internal officer managing prevention and protection in the work place  Environment manager	Isabella Traglio  Isabella Traglio
URU AG	Head of Human resources and general affairs	Maurizio Traglio, Paola Ogliari
DT	Employer	Isabella Traglio

## 4. LEGISLATIVE DECREE 231/2001 REGULATIONS ADMINISTRATIVE LIABILITY OF ENTITIES

In compliance with international obligations, the enabling law no. 300 of 29 September 2000 (Articles 11 and 14) dictated guiding criteria now implemented by Legislative Decree no. 231 of 8 June 2001, in force since 4 July 2001, which regulates new rules on the administrative liability of entities deriving from criminal offences.

The law attributes responsibility to the entity for illegal activities deriving from crimes committed by natural persons who, acting in its name and on its behalf and in any case in its interest, constitute the indispensable link for the attribution of the activity itself to the entity (e.g. corruption, fraud in financing).

Even if resulting from an established crime and linked to the guarantees of a criminal trial, there is a non-criminal (administrative) liability.

(See annex 1 for a Summary of the provisions of Legislative Decree no. 231, 8 June 2001).

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## 5. INQUIRY AND INVESTIGATION ON THE COMPANY'S ORGANIZATION SYSTEM

### (Gap analysis)

The purpose of the gap analysis or the activity of inquiry and investigation on the company's organisational system is to determine, with reference to each centre of accountability and responsibility and in relation to each of the sensitive process areas, any organisational shortcomings in the various company processes and, consequently, to indicate specific corrective measures aimed at preventing and protecting the legal assets underlying the predicate crimes for the different centres of accountability of the company processes.

For each sensitive process and area of risk, the results of the preliminary investigation are indicated below, distinguishing the organisational shortcomings and positive findings, i.e. the virtuous conduct already in place in the various corporate responsibility and decision-making centres.

All of these findings have been taken into account in the formation and adoption of models of conduct with reference to the various sensitive areas, as illustrated in the following paragraph.

### Sensitive processes relating to risk areas

The following sensitive processes, common to the performance of the Company's activities in the areas or functional departments referred to in the previous point, were identified:

- P.1 Purchasing/orders process
- P.2 Commercial process
- P.3 Financial process
- P.4 Administration process (recording, preparation and checking of accounting, non-accounting and tax documents)
- P.5 Information systems management process
- P.6 Human resources management process
- P.7 Safety management process
- P.8 Environmental management process
- P.9 Covid 19 management protocol

## 6. ADOPTION, IMPLEMENTATION, REVISION AND DISSEMINATION OF THE MODEL

VHERNIER S.p.A.'s organization and management system is aimed at ensuring that the company's activities are carried out in compliance with current legislation and the provisions of the Code of Ethics adopted and reported in the appendix to this Organisational Model.

The organization and management model has been prepared in accordance with the guidelines approved by the Ministry of Justice in a note dated 2008 pursuant to Article 6, paragraph 3, of Legislative Decree No. 231 of 2001.

The 231 Model includes annexes which are an integral and substantive part of it.

With a view to planning and managing company activities designed to achieve efficiency, fairness, transparency and quality, VHERNIER S.p.A. has adopted and implements the organisation, management and control measures described in this document, hereinafter referred to as the Model, the first version of which was adopted by resolution of the Board of Directors on 20 December 2019 in accordance with the indications contained in the Company's Code of Ethics.

In the aforementioned resolution, the company's administrative body expressly stated that it is committed to complying with this Model and the Board of Statutory Auditors also expressed its opinion to this effect.

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Pursuant to and in compliance with Article 6 of Legislative Decree 231/2001, at the same time as adopting the 231 Model the company's Board of Directors appointed by resolution the Supervisory Body (SB) consisting of a sole member represented by the lawyer Silvio D'Andrea, with a practice in Como, via Diaz 26, who will be assisted by company personnel appointed.

In order to perform the Supervisory function better, ensure continuity, efficiency and prevent the risk of incurring "231 liability" for the commission of the predicate offences, Mr. D'Andrea has the right to attend the meetings of the Board of Directors and Board of Statutory Auditors of the company.

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In order to prevent the risk of commission of crimes which may give rise to a liability for VHERNIER S.p.A. pursuant to Legislative Decree 231/2001, the Model includes:

- identification of activities in the context of which crimes may be committed;
- identification of organizational shortcomings and corrective action (so-called gap analysis) through the adoption of additional protocols to those already adopted by the Company;
- specific protocols for making and implementing VHERNIER S.p.A.'s decisions in relation to the crimes to be prevented;
- identification of ways of managing financial resources, designed to prevent crimes being committed;
- obligations to provide information to the Body responsible for supervising the functioning of and compliance with the Model;
- introduction of a disciplinary system designed to punish non-compliance with the measures indicated in the Model.

The Model is subject to periodic review and is modified if significant violations of the provisions for the prevention of predicate offences in sensitive areas are discovered or if there are changes in the Company's organisation or activities, or in the reference standards.

Anyone working for or collaborating with VHERNIER S.p.A. is obligated to comply with the provisions of the Model and, in particular, to comply with the information requirements laid down to enable the monitoring of compliance with those requirements.

The company shall communicate and make a request, to all third-parties, for an express declaration that it has taken notice of and accepts the commitment to comply with the principles and provisions of the Model (and annexes) where failure to comply may constitute grounds for termination of the relationship (save compensation for damages) in the event of conduct by the third party in contrast with the lines of conduct indicated in this Model and such as to entail the risk of commission of a crime punishable by Legislative Decree 231/2001.

For this purpose, copy of the Model and the annexed documents are filed at the company's registered office in Milan, via Borgonuovo 24 and made available to anyone entitled to consult them or may also be transmitted via email.

The company undertakes to promote the principles and content of the Model to all employees, depending on their qualifications and duties, also by means of training courses at which the recipients are required to attend according to a company "calendar" approved by the managing body.

The structure and content of the training courses shall be defined by the Supervisory Body together with those in charge of the relevant company functions.

The Organization and Management Model adopted by the company integrates organizational and control tools including:

- the Code of Ethics
- internal control procedures

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## 6.1. Design Of The Model

VHERNIER S.p.A.'s Organization and Management Model has been drawn up on the basis of preparatory and preliminary activities aimed at building a risk prevention and management system in relation to the individual predicate crimes covered by Legislative Decree 231/2001.

In particular, the Organization Model was designed according to three phases:

- 1) identification of company areas and crime risks with consequent mapping;
- 2) identification of the management criteria and protocols (so-called Gap Analysis) for the protection of the legal assets involved in the underlying crimes;
- 3) drafting of the document describing the Model.

### 6.1.1. Identification of areas and crime risks

The identification of risk areas and sensitive processes was carried out through the examination of corporate documentation (articles of association, management protocols, proxies and powers of attorney, organisation chart, etc.) which enabled corporate responsibility centres to be identified.

The organizational structure of the sensitive areas was identified through a series of interviews with those in charge of the individual functions in the sensitive areas of the company structure.

Once the areas of risk had been identified, risk management protocols were identified in order to prevent the commission of the offences pursuant to Legislative Decree 231/2001.

With regard to the business activities performed by VHERNIER S.p.A., the following areas or functional departments have been identified in which risk factors may arise relating to the commission of violations of the criminal laws indicated by Legislative Decree 231/2001 or, in general, the Company's Code of Ethics.

<b>AREA 1</b> corporate communications and controls	Risk factors relating to the incorrect or incomplete measurement, recording and representation of the company's activities in accounting and tax records, financial statements and documents for internal and external use
	Risk factors relating to false corporate communications and conduct capable of obstructing preventive controls on the activity and accounting representation of the business activity on the part of parties and the competent authorities
<b>AREA 2</b> relations with shareholders, subsidiaries, creditors and third parties	Risk factors of conduct detrimental to the interests of shareholders, creditors and third parties, even if only potentially
	In the case of situations of conflict of interest, risk factors relating to the implementation of internal management or organisational operations at unfavourable conditions for the Company or the omission of decisions that are advantageous for the Company
<b>AREA 3</b> commercial and financial activities	Risk factors relating to conduct which violates the rules governing the regular management of contracts and tax regulations. Risk factors relating to money laundering and self-laundering
<b>AREA 4</b> Information systems, human resources, safety at work	Risk factors relating to conduct which violates accident prevention and occupational health and safety regulations. Limited risk as the business activity is exclusively of a commercial nature

See Documentation on risk evaluation of predicate offences

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## 6.1.2. Gap analysis

The gap analysis allowed the corrections and adjustments implemented in the protocols of the Model adopted by VHERNIER S.p.A. to be prepared, with reference to each centre of responsibility.

Taking into account the existing management processes, the necessary safeguards were put in place with ad hoc management protocols in order to bring the risk within the limit of acceptability according to the legal asset to be protected for each individual crime.

## 6.1.3. Preparation of the Organization Model

Based on the data obtained in the preliminary phases described above, VHERNIER S.p.A. drafted the Organization Model including the fundamental principles enshrined in Legislative Decree no. 231/2001, an analysis of crimes together with a description, among other things, of the penalties for the legal person and the natural person committing the crime, identification of activities with a crime risk, risk management protocols, the composition and structure of the Supervisory Body, the obligations of continuous training and verification and the disciplinary system adopted.

### **Sensitive processes related to risk areas**

The following sensitive processes, common to the Company's activities in the areas or functional departments mentioned in the previous point, were identified:

- P. 1 Purchase/order process
- P. 2 Commercial process
- P. 3 Financial process
- P. 4 Administration process (recording, preparation and checking of accounting, non-accounting and tax documents)
- P. 5 Information systems management process
- P. 6 Human resources management process
- P. 7 Safety management process
- P. 8 Environmental management process
- P.9 Covid 19 management protocol

For each process or sensitive area identified, the Model sets out the methods for carrying out the relative activities and indicates, where relevant, the specific procedures to be followed, providing in particular for:

- protocols for making and implementing decisions, to be added to existing processes
- the procedures for managing financial resources, managed by the Managing Director and the Administration department
- obligations to inform the Supervisory Body.

### **Protocols for making and implementing decisions**

In view of the structure of the activities and complexity of the organization, VHERNIER S.p.A. adopts a system of delegated powers and functions which are made known to third parties through the business register at the Chamber of Commerce. Each power of attorney, formalized and accepted by the proxy, includes, in clear and specific terms, the assignment of tasks to individuals with appropriate skills and expertise, ensuring the proxy has autonomy and the powers necessary to perform the function.

VHERNIER S.p.A.'s organization chart, showing the functions assigned to each position, is annexed to this Model and is revised whenever it changes significantly.

Concerning the activities relating to the sensitive processes expressly identified, the Model includes specific protocols to be added to existing ones, containing a description of:

- 1) internal procedures for making and implementing management decisions (including the normal performance of the related activities), detailing the related procedures and the persons assigned to the functions, powers and responsibilities;
- 2) the arrangements for the documentation and storage of procedural documents;
- 3) the arrangements for checking compliance between the procedures provided for and their implementation and documentation.

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The internal procedures included in the protocols ensure separation and hierarchical independence between the person making the decision, the person implementing the decision and the person required to carry out checks.

Sono stabiliti limiti all'autonomia decisionale per l'impiego delle risorse finanziarie, mediante fissazione di puntuali soglie quantitative in coerenza con le competenze gestionali e la responsabilità organizzative affidate a singole persone.

Limits are established on decision-making autonomy for the use of financial resources, through the setting of monetary thresholds in accordance with the management powers and organisational responsibility entrusted to individual persons.

The aforementioned monetary limits may be exceeded in compliance with the authorization and representation procedures established, whilst always ensuring separation and hierarchical independence between those authorizing the expense, those implementing it and those entrusted with carrying out checks.

When joint representation arrangements are provided for, the principle of hierarchical independence between those who have joint powers of representation is guaranteed.

Exceptions to existing protocols and procedures included in the Model are permitted in case of emergency or when it is temporarily impossible to apply them. The exception, with a clear description of the reason, shall in all cases be immediately notified to the Supervisory Board.

Protocols shall also be revised following proposals or recommendations by the Supervisory Board.

## **Procedures for managing financial resources**

Concerning the activities relating to sensitive processes expressly identified, the Model includes specific procedures for managing financial resources.

The management procedures ensure separation and independence between the parties involved in making the decisions on the use of financial resources, those implementing such decisions and those entrusted with performing the checks on the use of financial resources.

For the purposes of implementing decisions on employing financial resources, the company uses, also abroad, whenever possible, financial intermediaries and banks subject to regulations on transparency and stability consistent with those adopted by EU member states.

All operations involving the use or commitment of economic or financial resources must have an adequate motive and be documented and recorded, by manual or computerised means, in compliance with principles of professional and accounting correctness; the related decision-making process must be verifiable.

All operations relating to non-standard or unusual activities or services must be specifically and clearly justified and communicated to the Supervisory Board.

The management procedures shall also be revised following proposals or recommendations by the Supervisory Board.