EXECUTIVE SUMMARY

MODEL 231

DATWYLER SEALING SOLUTIONS ITALY S.p.A.

DATWYLER

Executive summary on provisions set forth by Italian Legislative Decree no. 231/2001

Please find below a summary of the main law provisions included in the Italian Legislative Decree no. 231/2001 concerning the liability of the entities for administrative offences arising from crimes.

Legislative Decree no. 231/2001

The provisions contained in the Legislative Decree no. 231/2001 are applicable to entities having legal status and to companies and associations without legal personality.

The provisions are not applicable to the State, to non-economic territorial public authorities, or to other entities carrying out tasks of constitutional relevance.

Entities' liability under Legislative Decree no. 231/2001

Pursuant to Section 5 of Legislative Decree no. 231/2001, the entity is liable for offences committed in its own interest or to its own benefit:

(a) by individuals, who are representatives, directors or managers of the company or one of its organizational branch with financial and functional autonomy, as well as by individuals, who exercise- even *de facto* - the management and control thereof ["**apical**"];

(b) by individuals subject to the direction, or supervision of the persons referred to in paragraph (a) ["**subordinated**"].

Conducts excluding entities' liability

The entity is not liable for offences committed by individuals in apical position **if** it proves that:

a) the management of the company adopted and effectively implemented, before the offence was committed, an **organizational model** adequate to prevent offences similar to the one occurred;

b) the company appointed an internal **body** with independent powers of initiative and control in order to supervise the implementation and the level of compliance to the organizational models, as well as to their update ["**supervisory body**"];

c) the individuals committed the offence by fraudulently eluding the models of organization and management;

d) the supervisory body adequately supervised the implementation and the observance of the model.

The entity is liable for offences committed by subordinates in case the misconduct was made possible due to the non compliance with management and supervision duties.

In any case, the non compliance with management and supervision duties is excluded (and **the entity is not liable**), **if**, prior to the offence commission, the entity adopted and effectively implemented a **model of organization, management and control** adequate to prevent offences similar to the one occurred.

Crimes sanctioned under the Legislative Decree no. 231/2001

The measures set forth by the Legislative Decree no. 231/2001 are related to the commission of the crimes listed below (each article makes reference to several provisions included in other laws):

Art. 24: fraud, undue receipt of public facilities, computer crimes against the State or public bodies;
Art. 24-*bis*: unlawful data processing crimes;

Art. 24-*ter*: organised crimes;

Art. 25: malfeasance, corruption;

Art. 25-*bis*: money, government securities and revenue stamps forgery; as well as of trademarks or distinctive signs;

Art. 25-*bis*.1: crimes against industry and trading;

Art. 25-*ter*: corporate crimes (including corruption between private parties);

Art. 25-*quater*: crimes with terrorist or subversive purpose;

Art. 25-*quarter*.1: mutilation of female genital organs;

Art. 25-*quinquies*: crimes against individual personality;

Art. 25-*sexies*: market abuse;

Art. 25-*septies*: crimes related to health and security at work;

Art. 25-*octies*: crime of receiving stolen goods, laundering and use of unlawful money and goods, as well as self-laundering;

Art. 25-*novies*: crimes related to the violation of copyright;

Art. 25-*decies*: inducement to make false statements in Courts;

Art. 25-*undecies*: environmental crimes;

Art. 25-*duodecies*: employment of irregular workers;

Art. 25-*terdecies*: racism and xenophobia;

Art. 25- *quaterdecies*: crimes of fraud in sports competitions

Art. *25- quinquiesdecies:* tax offenses

Article 25-sexiesdecies: smuggling offences

Sanctions

Under the Legislative Decree no. 231/2001, an entity liable can be subject to the following measures (in addition to the seizure of the profit of the crime):

- **economic fine**, up to Euro 1,549,000.00;
- **sanctions** and **debarments**:
  - prohibition of the company to carry out its activity;
  - revocation or forfeiture of authorizations, licenses or concessions issued by the Public Administration functional to the crime;
  - prohibition to contract with the Public Administration;
  - exclusion from public facilities, loans, contributions or benefits and possible revocation of the ones already granted;
  - prohibition to advertise goods or services;
- **confiscation** of the price or profit deriving from the crime;
- **publication** of the judgement.

Organizational Models

The Legislative Decree no. 231/2001 does not provide for the specific content of the organizational models, merely pointing out that they must meet the following requirements:

a) identify the **sectors of activity** where it is most likely that crimes may be committed;

b) foresee specific **protocols** aimed at planning the formation process and the enforcement of the resolutions adopted by the entity in order to prevent the commission of offences;

c) identify the safest procedure to manage **financial resources** in order to prevent the commission of offences;

d) provide **information** duties to the appointed supervisory body;

e) introduce a **disciplinary system** in order to punish non-compliance with the rules laid down in the model.

Supervisory Body

The supervisory body carries out the following activities:

(a) supervision of the adequateness of the measures adopted in the organizational model (comparative analysis);

(b) verification of the compliance with the rules laid down in the model;

(c) amendments and/or **integration** suggestions to the organizational model and further verification of the adjustment activities performed.

The Organizational Model of Datwyler Sealing Solutions Italy S.p.a. pursuant to Legislative Decree no. 231/2001

In order to adopt by Datwyler Sealing Solutions Italy S.p.a. ("**Datwyler**" or the "**Company**") an Organizational Model focused on those crimes that could determine a liability under Legislative Decree no. 231/2001, the following documents have been drafted, in compliance with the applicable Guidelines:

a) Risk Assessment

The risk assessment activity has been performed in relation to the crimes punished by the Decree that may be material for the Company (hereinafter, the "**Estimated Applicable Crimes**"), in order to draft a chart summarizing: (i) the areas at risk, (ii) the sensible activities, (iii) the possible ways the Estimated Applicable Crimes may be committed within the activity of the Company, (iv) the organizational roles that may be involved, (v) the internal controls (either general or special) in place to prevent from the commission of the Estimated Applicable Crimes, (vi) the weaknesses and improvement areas and (vii) the recommendations and proposed actions to be implemented aiming to properly address and resolve the weaknesses previously pointed out (remediation plan).

In particular, on the basis of the activity carried out by Datwyler and of its organizational structure, the Company deemed material the following Estimated Applicable Crimes:

- Crimes against Public Administration (**artt. 24 and 25**);
- Crimes against industry and trading (**art. 25-*bis*.1**);
- Corruption between private parties (**art. 25-*ter***);
- Crimes against individual personality (**art. 25-*quinquies***);
- Crimes related to health and security at work (**art. 25-*septies***);
- Crime of receiving stolen goods, laundering and use of unlawful money and goods, as well as self-laundering (**art. 25-*octies***);
- Environmental crimes (**art. 25-*undecies***);
- Employment of irregular workers (**art. 25-*duodecies***).

b) Organizational Model under the Decree

Upon completion of the above activities under paragraph *a)*, the Organizational Model has been drafted to prevent from the commission of the Estimated Applicable Crimes.

This document is composed by a general section, a special section for each of the categories of the Estimated Applicable Crimes, as well as by the provision of sanctioning system alongside and Code of Ethics.

In particular, the Organizational Model is divided into the following two sections:

- **General Section** that includes the following paragraphs: (i) overview on the Legislative Decree no. 231/2001; (ii) overview on the Supervisory Body; (iii) description of the relevant crimes; (iv) sanctioning system; (v) description of the corporate governance and organizational system; (vi) description of management

control system; (vii) communication of the Organizational Model to the addressees thereof and their training;

- **Special Section** provides for: (i) risk areas; (ii) sensible activities; (iii) Estimated Applicable Crimes; (iv) potential ways to commit the Estimated Applicable Crimes; (v) organizational roles involved. Furthermore, the Special Section contains recommendations for preventing from the Estimated Applicable Crimes.

c) Code of Ethics

The Code of Ethics is integral part of the Organizational Model according to Legislative Decree no. 231/2001 and constitutes a fundamental and essential reference for all the participants in the Company life.

It expresses the principles and the commitment that the Company requires in carrying out the activities and the behavioural rules to be adopted in accordance with the laws, with a view to legality, transparency, fairness, responsibility, protection and respect.

This aspect derives from the belief that pursuing ethics in the performance of business activities constitutes an added value to ensure its reliability and good reputation as a further qualifying element of its work.

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