

# **Borusan Vobarno Tubi S.p.A.**

Organisation, management and control model  
pursuant to Legislative Decree 231/2001

## **General Part**

**BORUSAN VOBARNO TUBI S.P.A.**

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## LIST OF REVISIONS

REV.	DATE	NATURE OF CHANGES	APPROVAL
00		Adoption	

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## TERM AND DEFINITION

**CCNL:** National Collective Labor Agreements and Corporate Supplementary Agreements.

**CDA:** Board of Directors

**Code of Ethics:** document adopted by BVT containing the enunciation of the rights, duties and respective responsibilities of all individuals and members of the bodies working with and in the Company, aimed at the declaration of shared and recognized principles, fundamentals and ethical and deontological conducts, aimed at preventing and contrasting possible offences;

**Collaborators:** all natural persons who collaborate with the Company, by virtue of a relationship of autonomous, coordinated and continuous collaboration or in other similar forms of collaboration of a non-subordinate nature;

**Consultants:** the natural persons who-because of their proven experience and specialization and their possible registration in professional registers-collaborate with the Company by virtue of consulting/self-employed contracts for the performance of qualified professional specialized services;

**Delegation:** the act by which a person (delegator) substitutes for himself another person (delegate) in the exercise of activities within his competence

**Recipients:** all those who are required to be aware of and comply with the Organization and Control Model (by way of example, the Board of Directors, the Board of Statutory Auditors, the Shareholders' Meeting, the members of the Supervisory Board (SB), the Managing Director, the General Manager, employees, including individuals in apical positions as defined below, as well as, for the parts relevant to them, collaborators, consultants and suppliers)

**Employees:** persons who perform work in favor of the Company, employed by and under the direction of the Company with an open-ended or fixed-term contract. Workers with self-employment contracts, project

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contracts, temporary workers and interns are equated with employees with regard to compliance with the regulations of Legislative Decree 231/01

**D.Lgs. 231/2001 o Decreto:** Legislative Decree No. 231 of June 8, 2001 on "Regulations on the administrative liability of legal persons, companies and associations, including those without legal personality, pursuant to Article 11 of Law No. 300 of September 29, 2000" and subsequent amendments and additions

**Suppliers:** Individuals who provide the Company with goods and/or services under agreements and/or contracts

**Business group:** Set of enterprises directly related to each other financially and economically but legally autonomous.

**Interest of the entity:** purpose - even non-exclusive - of the illegal conduct (predicate offense) consisting in favoring the Company, to be ascertained by ex ante evaluation and subsisting regardless of the actual achievement of the objective

**Supervisory Body:** Means the internal control body, responsible for supervising the operation of and compliance with the Model, as well as its updating

**Corporate bodies:** the corporate bodies stipulated in the bylaws

**Guidelines:** Documents issued by authoritative trade associations or public bodies on the subject of Legislative Decree 231/2001

**Template:** Modello di Organizzazione, Gestione e Controllo secondo i requisiti del D.Lgs. 231/2001

**Risk assessment:** structured methodology of risk assessment and related controls

**Disciplinary System:** document, part of the Model of Organization, Management and Control, which regulates the sanctions that can be imposed on the recipients of the Model itself for non-compliance with the provisions stipulated

**Apical subjects:** persons who hold positions of representation, administration or management of the Company, of one of its organizational units with financial and functional autonomy, as well as by persons who exercise even de facto management and control over it

**Subordinate subjects:** individuals subject to the direction or supervision of a senior person

**Stakeholder:** Stakeholders to the Company, whether internal or external to the corporate sphere

**Internal control system:** set of protocols and actions adopted by the Company for the purpose of preventing the risks of commission of the crimes referred to in Legislative Decree 231/2001

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**Advantage of the entity:** positive result, not necessarily economic, which the Company has objectively gained regardless of the intention of the offender and which must be ascertained ex post.

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## INTRODUCTION

This document constitutes the General Part of the Organization, Management and Control Model pursuant to Legislative Decree 231/2001 (hereinafter the "Model") adopted by Borusan Vobarno Tubi S.p.a. (hereinafter BVT or the "Company").

The Model of organization, management and control adopted by BVT aims to build a structured and organic system of controls designed to prevent the commission of the offenses referred to in Legislative Decree 231/2001.

The following are considered "Recipients" of this Model and, as such, are required - within the scope of their respective responsibilities and competencies - to know and comply with it:

- members of the corporate bodies (shareholders, directors, members of the Board of Auditors);
- members of the Supervisory Board;
- employees;
- collaborators;
- suppliers and external consultants;
- anyone else who establishes, in any capacity, collaborative relations with the Company.

Those to whom the Model is addressed are therefore required to comply punctually with all its provisions, including in fulfillment of the duties of loyalty, fairness and diligence arising from the legal labor relations established with BVT.

The Company supervises the observance of the provisions contained in the Model, ensuring the transparency of the corrective actions put in place in case of its violation. BVT is committed to disseminate, within its organization and externally, the contents of the Model and subsequent updates in a complete, accurate and continuous manner.

By virtue of what is expressly established in Legislative Decree 231/2001 (art. 6, third paragraph), Models may be adopted on the basis of codes of conduct or guidelines drafted by representative and trade associations, which have been communicated to the Ministry of Justice.

This Model is drafted in accordance with the Confindustria Guidelines approved by the Ministry of Justice in their latest version.

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## 1. LEGISLATIVE DECREE NO. 231 OF JUNE 8, 2001

### 1.1 The administrative liability of legal persons

Legislative Decree 231/2001, "Discipline of the administrative liability of legal persons, companies and associations, including those without legal personality," issued in execution of the delegation referred to in Article 11 of Law No. 300 of September 29, 2000, introduced the notion of autonomous liability of legal persons into the Italian regulatory system, adapting domestic legislation to some international conventions to which Italy had long adhered.

The aforementioned Decree introduced for the first time in Italy direct liability of legal persons (companies, associations, entities, etc.) for certain crimes, committed in the interest or to the advantage of the same by:

- persons who hold positions of representation, administration or management of the entity or one of its organizational units with financial and functional autonomy as well as persons who exercise, de facto, the management and control of the same (so-called apical subjects);
- persons subject to the management or supervision of one of the above-mentioned persons (so-called subordinates).

This liability, defined as "administrative" by the Legislature, but characterized by profiles of criminal relevance for entities, is flanked by and does not replace the liability of the natural person who committed the crime. The administrative liability of the entity is excluded in the event that the agent has committed the act exclusively in its own interest or that of third parties.

The administrative liability introduced by the Decree aims first and foremost to affect the assets of entities that have benefited from the commission of certain criminal offenses. Thus, provision is made, in all cases, for the application of a pecuniary sanction in an amount that varies according to the seriousness of the crime and the entity's asset capacity. For the most serious cases, there are also interdictory measures such as the suspension or revocation of licenses and concessions, the prohibition to contract with the Public Administration, the disqualification from conducting business, the suspension or revocation of loans and grants, and the prohibition to advertise goods and services.

Articles 6 and 7 of the Decree, however, provide for a form of exemption from liability if the entity proves that it has adopted and effectively implemented Organization, Management and Control Models suitable for preventing the commission of the crimes under consideration. The system also provides for the

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establishment of an internal control body within the entity (Supervisory Board) with the task of supervising the operation of and compliance with the Models, as well as ensuring that they are updated.

The Models must meet the following requirements:

- identify the processes and activities within the scope of which crimes may be committed;
- Provide for specific "protocols" and procedures useful for preventing the commission of crimes;
- identify ways of managing financial resources suitable for preventing the commission of crimes;
- provide for information obligations towards the Body (SB) appointed to supervise the functioning and observance of the Model;
- introduce a disciplinary system suitable for sanctioning non-compliance with the measures indicated in the Model.

## 1.2 The "predicate"

The entity's liability does not arise from the commission by the individuals highlighted above of all the types of crimes provided for by the Criminal Code or special laws, but is limited to the hypotheses of crime-presumed specifically provided for by Legislative Decree 231/2001.

The offenses under Legislative Decree 231/2001, organized by category, are as follows:

Categorie
1. [art.24] Indebita percezione di erogazioni, truffa in danno dello Stato, di un ente pubblico o dell'Unione europea o per il conseguimento di erogazioni pubbliche, frode informatica in danno dello Stato o di un ente pubblico e frode nelle pubbliche forniture
2. [art.24-bis] Delitti informatici e trattamento illecito dei dati
3. [art.24-ter] Disposizioni in materia di contrasto alla criminalità organizzata e all'infiltrazione mafiosa nell'economia
4. [art.25] Peculato, Concussione, induzione indebita a dare o promettere utilità, corruzione e abuso d'ufficio
5. [art.25-bis] Falsità in monete, in carte di pubblico credito, in valori di bollo e in strumenti o segni di riconoscimento
6. [art.25-bis.1] Delitti contro l'industria e il commercio
7. [art.25-ter] Reati societari
8. [art.25-quater] Reati con finalità di terrorismo o di eversione dell'ordine democratico
9. [art.25-quater.1] Pratiche di mutilazioni organi genitali femminili
10. [art.25-quinquies] Delitti contro la personalità individuale
11. [art.25-sexties] Abuso di mercato
12. [art.25-septies] Omicidio colposo e lesioni colpose gravi o gravissime, commessi con violazione delle norme sulla sicurezza sul lavoro).

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Categorie
13. [art.25-octies] Ricettazione, riciclaggio e impiego di denaro, beni o utilità di provenienza illecita, nonché autoriciclaggio
14. [art.25- octies.1] Delitti in materia di strumenti di pagamento diversi dai contanti
15. [art.25-novies] Delitti in materia di violazioni del diritto d'autore
16. [art.25-decies] Induzione a non rendere dichiarazioni o a rendere dichiarazioni mendaci all'autorità giudiziaria
17. [art.25-undecies] Reati ambientali
18. [art.25-duodecies] Impiego di cittadini di Paesi terzi il cui soggiorno è irregolare
19. [art.25-terdecies] Razzismo e xenofobia
20. [art.25-quaterdecies] Frode in competizioni sportive, esercizio abusivo di gioco o di scommessa e giochi d'azzardo esercitati a mezzo di apparecchi vietati
21. [art.25-quinquiesdecies] Reati tributari
22. [art.25-sexiesdecies] Contrabbando
23. [art. 25-septiesdecies] Delitti contro il patrimonio culturale
24. [art. 25-duodevicies] Riciclaggio di beni culturali e devastazione e saccheggio di beni culturali e paesaggistici
26. [art. 12, L. n. 9/2013] Responsabilità degli enti per gli illeciti amministrativi dipendenti da reato [Costituiscono presupposto per gli enti che operano nell'ambito della filiera degli oli vergini di oliva]
[legge 146/06] Reati transnazionali

The complete list of individual offenses and sanctions is placed in the annex to the Model (Appendix 1).

### 1.3 Sanctions

The Decree identifies an articulated set of sanctions arising from administrative liability dependent on crime.

In summary:

- financial penalties (Articles 10 to 12 of Legislative Decree 231/2001), the commensuration of which is determined in number and value of quotas, taking into account the seriousness of the act, the degree of responsibility of the entity as well as the activity carried out to counteract or mitigate the consequences of the act or to prevent the commission of further offenses. The amount of the quota is determined on the basis of the entity's economic and asset conditions in order to ensure the effectiveness of the sanction;
- prohibitory sanctions (Articles 13 to 17 of Legislative Decree 231/2001):
  - disqualification from conducting business;

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- suspension or revocation of authorizations, licenses or concessions functional to the commission of the crime;
- prohibition to contract with the Public Administration, except to obtain the performance of a public service;
- exclusion from facilitations, financing, contributions or subsidies and possible revocation of those granted;
- prohibition from advertising goods or services.
- Confiscation of the price or profit of the crime (Article 19 of Legislative Decree 231/2001);
- publication of the judgment (Art. 18 of Legislative Decree 231/2001).

It should be pointed out that the determination of the liability of the entity, as well as the determination of the an and quantum of the penalty, are assigned to the criminal court having jurisdiction over the crimes on which the administrative liability depends, in the proceedings against the individual.

#### **1.4 Criteria for imputation of liability of the entity**

The prerequisites for entity liability are divided into objective criteria and subjective criteria..

##### **A) Objective criteria (art. 5 del D.Lgs. 231/01)**

- commission by apical or subordinate persons of one of the crimes provided for in the Decree;
- commission of the crime (in whole or in part) in the interest or to the advantage of the entity.

##### **B) Subjective criteria (art. 6 del D. Lgs. 231/01)**

The offense must be an expression of company policy or result from "organizational fault." It follows that if no "fault" can be attributed to the entity, it is not subject to the sanctions provided for in Legislative Decree 231/2001.

The legislation provides that "organizational fault"-and, consequently, the liability of the entity-is excluded if, prior to the commission of the crime, the entity has adopted and effectively implemented Organizational Models suitable for preventing crimes of the kind that occurred.

Two hypotheses must be distinguished in this regard:

**1.** For crimes committed by individuals in "apical" positions, Legislative Decree 231/01 introduces a kind of relative presumption of liability of the entity, since it provides for the exclusion of its liability only if it proves:

- that "the management body has adopted and effectively implemented, prior to the commission of the act, organization and management models suitable to prevent crimes of the kind that occurred."
- that "the task of supervising the operation of and compliance with the Models and taking care of their updating has been entrusted to a Body of the entity endowed with autonomous powers of initiative and control."
- that "the persons committed the crime by fraudulently circumventing the Organization and Management Models"; and
- that "there was no omission or insufficient supervision by the Body with autonomous powers of initiative and control."

The conditions just listed must come together in order for the entity's liability to be excluded.

2. If the crime was committed by individuals in a "subordinate" position, there is no presumption of liability on the part of the entity: therefore, in order for the entity to be held accountable, it will be the burden of the prosecution in the course of the trial to prove that the commission of the crime was made possible by the failure to comply with management or supervisory duties. In this hypothesis, Legislative Decree 231/01 traces liability back to a failure to comply with management and supervisory duties, which typically fall on top management (or persons delegated by it).
3. *Failure to comply with management or supervisory obligations does not occur "if the entity, prior to the commission of the crime, adopted and effectively implemented an Organization, Management and Control Model suitable to prevent crimes of the kind that occurred."*

### 1.5 The Confindustria Guidelines

As is well known, with the aim of providing practical help to companies, Confindustria has issued and periodically updates Guidelines for the construction of organizational models. They provide methodological guidance on the preparation of an organizational model suitable for preventing the commission of the offenses specified in the Decree, allowing exemption from liability and related penalties.

The latest update of the Guidelines was released in June 2021.

The most innovative aspect of the new version lies in the explication of the importance of integrated risk management, with all-round compliance.

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In fact, from the analysis of the document, the need for an integrated compliance system clearly emerges, allowing for the rationalization of processes and activities in terms of economic, human, and technological resources, the streamlining of compliance activities, as well as the optimization of information flows and relationships between the various control actors (e.g., the Privacy Officer, the Security Officer, the Board of Statutory Auditors, the Supervisory Board) and risk management of the individual organization, including through the execution of joint risk assessments.

The new Guidelines, intend to emphasize that the Model should not be seen as a mere regulatory fulfillment but must "live in the enterprise, adhere to the characteristics of its organization, evolve and change with it."

Finally, the importance of information flows between the Supervisory Board and the Board of Statutory Auditors is highlighted, the sharing of information and real collaboration being fundamental, while respecting roles, between the Supervisory Board and the various control actors, including operational management, the latter being the owner of both business processes and first-level controls.

#### **1.6 Administrative liability for crime in the enterprise group**

BVT, while being part of a corporate group, has deliberately chosen to equip itself with its own organizational model of management and control built ad hoc with respect to the other companies of the group, in order to better meet the specific needs of concrete operations, while maintaining as ethical-behavioral cornerstones the fundamental principles (also contained in the Code of Ethics) shared by the entire group. In the same direction, it has provided for the appointment of an autonomous and different internal Supervisory Board, which is given effective powers of control, compared to the 'Body subject to appointment by the other group companies.

It is worth noting that Decree 231 does not expressly address the issue regarding the liability of the entity that is part of a group of companies; nor does it include the group among the entities to which the Decree is applicable. On the point of the configurability of the liability of entities for crime, if the predicate offense was committed in the course of the activity of a company that is part of a group of companies, liability can extend to affiliated companies only on the condition that the interest or advantage of one company is also accompanied by the competing interest or advantage of another company; in addition to the circumstance that the natural person perpetrator of the predicate offense possesses the subjective qualification necessary, pursuant to Article 5 of Decree 231, for the purposes of the common imputation of the

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administrative offense of crime. Jurisprudence also holds (Cass., II Sect. pen., Sent. no. 52316, 2016) that the requirement of the interest and/or advantage in the entity deriving from the commission of the crime must be assessed concretely, i.e., it must be substantiated in a specific and concrete utility, of an actual or potential nature, even if not of a patrimonial nature.

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#### 4. THE ORGANIZATION, MANAGEMENT AND CONTROL MODEL OF BVT

##### 2.1 Company profile and historical background

BVT is the first subsidiary of the Borusan Group in the European territory. As one of the top five suppliers to the European automotive industry, the Vobarno plant has created a production synergy with the companies' Halkalı plant in Istanbul, expanding its product range.

With 30,000 tons per year of drawn tube production capacity, BM Vobarno is characterized by a high quality standard and its products are mainly used in the field of hydraulic applications (pneumatic and hydraulic cylinders) in the automotive sector (tubes for steering systems, connecting rods, cardan shafts, shock absorbers, suspensions, couplings, etc...) and in the heterogeneous field of mechanical applications, such as mining-drilling, lifting systems and heat exchangers.

Thanks to its state-of-the-art equipment, BVT is able to quickly meet the broadest needs of customers through its services. The rapid development and continuous upgrading of production and control equipment has led the company to play a significant role in the domestic and international markets.

##### 2.2 Goals and Objectives of the Model

With the adoption of the Model, BVT aims to provide itself with a set of principles of behavior and procedures, as a complement to the organizational and internal control tools, that meets the purposes and requirements of the Decree.

The adoption and effective implementation of the Model represents not only a tool for the prevention of possible offenses, but also improves, as a set of rules with which corporate officers are required to comply, the corporate governance of the Company.

Therefore, the purpose of this Model is the construction of a structured and organic system of procedures and control activities, to be carried out primarily as a preventive measure and such that it cannot be violated except by fraudulently evading its provisions.

To this end, the Model fulfills the following functions:

- promote and enhance to an even greater extent an ethical culture internally, with a view to fairness and transparency in the conduct of business;

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- to make all those who work in the name and on behalf of the Company aware of the need for punctual compliance with the Model, the violation of which results in pecuniary and disciplinary sanctions;
- stigmatize the Company's condemnation of any behavior that, inspired by a misunderstood social interest, is in contrast with laws, regulations or, more generally, with principles of fairness and transparency by which its activity is inspired;
- inform about the serious consequences that could result for the Company (and consequently for all its employees, managers and top management) from the application of the pecuniary and prohibitory sanctions provided for by the Decree and of the possibility that they may also be ordered as a precautionary measure;
- enable the Company to constantly monitor and carefully supervise its activities, so that it can intervene promptly if risk profiles emerge and, if necessary, apply the disciplinary measures provided for by the Model itself.

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## 2.3 Methodology and activities for constructing the Model and updating it

Ai fini della predisposizione del Modello si è proceduto a:

1. identify and map sensitive processes: the objective of this phase was to analyze the company's context in order to identify in which area/sector of activity and in what manner possible crimes could be committed. This resulted in a representation of risk areas and sensitive processes, existing controls and any critical issues;
2. assess risks and the system of preventive controls: on the basis of the existing situation, as ascertained above, the risks were assessed and subsequently the necessary initiatives were identified for the purposes of adapting the internal control system and the essential organizational requirements indicated by the Confindustria Guidelines to the purposes pursued by the Decree;
3. defining the procedures and protocols, an integral part of the control system capable of preventing risks: BVT has approved and implemented within its organization an articulated system of procedures and operating instructions aimed at presiding over company processes and preventing the commission of the crimes provided for by the Decree. The Company has, in addition, achieved certification of compliance with UNI EN ISO 9001:2015 and UNI EN ISO 14001:2015;
4. design and implement the Organization, Management and Control Model: it was intended at this stage to define an internal regulatory system aimed at planning the formation and implementation of the Company's decisions in relation to the risks/offenses to be prevented; this system is composed of the Code of Ethics, which sets the general guidelines and principles by which the Company's operations are constantly inspired; an Organization, Management and Control Model, specifically aimed at the prevention of the offenses provided for in the Decree;
5. essential, for the purposes of the concrete application and compliance with the Model, is the activity of sensitization of all structures and levels of the company to the observance of the rules and procedures provided by the same, as well as the establishment of a Supervisory Board with the task of supervising the functioning and observance of the Model and to propose its updating.

## 2.4 Constituent elements and structure of the Model

This Model is based on the following constituent elements, which are integrated with each other:

- Code of Ethics;
- Disciplinary System aimed at sanctioning the violation of the provisions contained in the Model;

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- Governance and organizational structures (references to the visura and organizational chart);
- Authorization and signatory powers and methods of managing financial resources;
- Mapping of risk areas and controls, which consists of the process of identifying company activities within the scope of which the crimes referred to in Legislative Decree 231/01 may be committed;
- Control Procedures and Protocols in relation to the identified sensitive activities;
- Training and information of employees and other parties that interact with the Company;
- Supervisory Board and information flows;
- Whistleblowing Reports.

The above-mentioned constituent elements are represented in the following documents:

- Code of Ethics as a charter of the Company's guiding principles.
- Disciplinary System as a tool for sanctioning possible violations of the Model.
- General Part where the fundamental elements of Legislative Decree 231/01, the structure of the Model and its main elements are set out.
- Special Part, divided into sections, each referring to a category of crime in which are described:
  - the types of offenses referred to in Legislative Decree 231/01 and the conduct that the Company has determined to take into consideration because of the characteristics of its business;
  - the sensitive processes/activities and related controls.

Annexes to the Model:

- List of predicate offenses (All. 1)
- Risk Assessment (All.2)
- Information flows to the SB (All. 3)
- Governance (All. 4)
- Whistleblowing Procedure (All. 5)

## **2.5 Approval, amendment and implementation of the Model**

The Model is approved and adopted by the Board of Directors. The Board of Directors is responsible, also based on the indications provided by the Supervisory Board, for updating or supplementing the Model, following:

- regulatory updates;

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- significant changes in the company organization;
- changes in company processes and activities or business areas;
- occurrence of extraordinary events (serious violations, charges, sanctions, etc.).

Any amendments or additions to the Model, including on the proposal of the Supervisory Board, of the Model documents are the sole responsibility of the Board of Directors, which is also assigned the task of formulating an appropriate budget allocation to the Supervisory Board for the purpose of the proper performance of its duties.

Changes/additions to operating procedures or documents of a dynamic nature referred to or attached to the Model must also be approved by the Board of Directors. These documents constitute control principals for sensitive activities, and their substantial changes should also be communicated to the SB.

The Model, in any case, must be reviewed on an annual basis to verify its adequacy and needs for updating, in order to maintain its effectiveness over time. The following individuals participate in the review:

- Internal project contact person;
- Supervisory Board.

## 5. THE SUPERVISORY BODY

### 5.1 Requirements of the Supervisory Board

Legislative Decree 231/2001, paragraph 1, stipulates among the indispensable elements for the exemption of entities from administrative liability, the establishment of an internal body within the entity (Supervisory Board) with autonomous powers of initiative and control with the task of supervising the functioning of the Model and taking care of its updating.

The Supervisory Body, in accordance with the Decree and the Confindustria Guidelines, must possess the following requirements:

- **Autonomy:** complete autonomy must be ensured to the Supervisory Board, understood as free and capacity for decision-making, self-determination and action. This autonomy must be exercised above all with respect to top management, in the sense that the Body must remain extraneous to any form of interference and pressure from top management itself. The Supervisory Board establishes its own rules of conduct in a set of Regulations adopted by itself;

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- **independence:** the Supervisory Board must have the position of a third party body, hierarchically placed at the top of the line of command, free from ties of subservience to top management, and capable of taking unquestionable measures and initiatives;
- **professionalism:** the requirement of professionalism takes on purely subjective connotations, which should be verified for each member, with a prior analysis of the curriculum vitae and concrete work experience of each of them. In particular, it is necessary for the SB to be composed of individuals with specific knowledge in legal matters, control methodologies and activities, risk assessment and management, business organization, finance, audit and management, etc., as well as specific skills in relation to inspection and consulting activities;
- **continuity of action:** continuity of action is to be understood in terms of effectiveness of supervisory and control activities and in terms of temporal constancy of the performance of the functions of the SB;
- **honorability:** the members of the Supervisory Board, given the role they are called upon to play, must necessarily present an ethical profile of unquestionable value.

## 5.2 Appointment, composition and term of the Supervisory Board

The Supervisory Board is appointed by the Board of Directors at the same time as the adoption of the Model.

The number, qualification, compensation of the members of the Supervisory Board and the term of office are decided by the Board of Directors.

Appointment to the Supervisory Board must be communicated to and formally accepted by each appointed member. Subsequently, the appointment of the SB will be communicated to all levels of the organization with evidence of the responsibilities, powers and supervisory duties..

## 5.3 Causes of ineligibility and incompatibility

The following are considered causes of ineligibility:

- the presence of any of the circumstances set forth in Article 2382 of the Civil Code;
- a conviction, which has become final, for having committed one of the crimes sanctioned by Legislative Decree 231/2001.

Each member of the Supervisory Board, by accepting the appointment, implicitly acknowledges the non-existence of said grounds for ineligibility. The rules described above also apply in case of replacement of one or more members of the SB itself.

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In cases where a judgment of conviction has been issued, the Board of Directors - pending the passage of the judgment becoming final - may order, after consulting the Board of Auditors, the suspension of the powers of the member of the SB concerned.

#### **5.4 Revocation of assignment**

Revocation of the appointment as a member of the Supervisory Board is the exclusive responsibility of the Board of Directors, after hearing the opinion of the Board of Auditors.

Members of the Supervisory Board cannot be revoked except for just cause.

Just cause for revocation, by way of example and not exhaustive, means:

- the loss of the subjective requirements highlighted above;
- the occurrence of a reason for incompatibility, as highlighted above;
- gross negligence in the performance of the duties proper to the SB;
- non-compliance with the Model and/or Code of Ethics adopted by the Company.

Each member of the SB may relinquish his or her position at any time, giving reasons to the Board of Directors, with at least 30 days' notice.

#### **5.5 Powers and functions of the Supervisory Board**

The main tasks entrusted to the SB concern:

- **supervision of the Model:**
  - Verifying the suitability of the Model to prevent the occurrence of unlawful conduct, as well as to highlight its possible implementation;
  - verifying the effectiveness of the Model, i.e., the correspondence between the concrete behaviors and those formally provided for by the Model itself;
  - to verify compliance with the principles of behavior and procedures set forth in the Model and detect any deviations;
- **updating the Model:**
  - taking care of its updating, proposing, if necessary, to the Board of Directors the adjustment of the same;
- **information and training on the Model and the Decree:**
  - Promote and monitor initiatives aimed at fostering communication, information and training on the Model to all parties required to comply with its provisions (recipients);

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- **provide clarifications related to the Model upon request from corporate functions, the Board of Directors and the Board of Auditors;**
- **report periodically to the supervisory bodies on the status of implementation and operation of the Model.**

#### **5.6 Reporting of the Supervisory Board to corporate bodies and top management**

The Supervisory Board must report the results of its activities periodically to the Board of Directors and the Board of Statutory Auditors. The Supervisory Board may be summoned at any time by top management and the aforementioned bodies and may, in turn, make such a request in order to report on the functioning of the Model or specific situations inherent to the implementation of the Model.

#### **5.7 Information flows to and from the Supervisory Board**

Information flows to and from the SB, moreover provided for in Article 6 of Legislative Decree No. 231/2001, which expressly speaks of "information obligations," are one of the tools available to the SB to supervise the effectiveness and efficacy of the Model.

Information flows can be of different types:

- Event-driven flows: which occur upon the occurrence of a specific event or situation to be reported to the SB;
- Periodic flows: defined on a periodic basis and agreed upon with company functions;
- Reports: which may come from any company employee who detects a danger, possible fraud or other behavior that may constitute a violation of the Model (whistleblowing).

The information flows in detail are highlighted in the attached information flows.

The Company provides for the establishment of a dedicated SB mailbox address address that, in addition to traditional means of communication, allows employees to report to the SB conduct not in line with those provided for in the Model..

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## 5.8 Confidentiality

The SB is obliged not to disclose the news and information acquired in the performance of its duties, ensuring absolute confidentiality and refraining from using the information for purposes other than those inherent in its role as Supervisory Board.

All information that comes into the possession of the Supervisory Board is treated in accordance with current privacy legislation (Legislative Decree No. 196/2003, as amended and European Regulation No. 679/2016).

## 6. Legislation on Whistleblowing Whistleblowing

As of July 15, 2023, the provisions of Legislative Decree No. 24 of March 10, 2023, which implemented Directive No. 1937 of the European Parliament and of the Council of October 23, 2019, on the protection of persons who report violations of Union law and laying down provisions concerning the protection of persons who report violations of national regulatory provisions, took effect, resulting in an important change in the institution of whistleblowing for companies that adopt Organizational Models under Legislative Decree No. 231/001.

In fact, Legislative Decree 24/2023 repealed Article 6, paragraphs 2-ter and 2-quater, of Legislative Decree No. 231 of June 8, 2001, and amended Article 6 paragraph 2. bis replaced by the following: "The Models referred to in paragraph 1, letter a) provide, pursuant to the legislative decree implementing EU Directive 2019/1937 of the European Parliament and of the Council of October 23, 2019, the internal reporting channels, the prohibition of retaliation and the disciplinary system, adopted pursuant to paragraph 2, letter e)."

The Company, in line with relevant best practices, has identified a special external reporting channel suitable for handling reports. The Company has also prepared a special procedure, annexed to the Model, made known to all interested parties, internal and external to the Company.

Reports must be circumstantiated and may concern, by way of example but not limited to:

- any violation, even potential, of the Code of Ethics and the Model or of internal regulations, procedures or other company provisions;
- actions or omissions, committed or attempted, that may cause harm to employees performing their activities at the Company;

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- news related to proceedings or investigations into hypothetical offenses under Legislative Decree 231/01 and findings of internal investigations from which violations of the Model have emerged;
- information from any source concerning the possible commission of crimes or otherwise violations of the Model;
- other violations of national or EU regulatory provisions that harm the public interest or the integrity of the Company of which the reporter has become aware in the work context pursuant to Legislative Decree 24/23

Reports must contain the following elements:

- A clear and complete description of the facts.
- If known, the circumstances of the time and place where the events occurred.
- General information that allows for the identification of the individual(s) who committed the reported acts.
- Information about any other individuals who may have knowledge of the reported events.
- Any other information that may provide useful verification or any documents that can confirm the existence of the reported facts.

The company guarantees the confidentiality of the identity of the person making the report. Whistleblowers are also protected against any form of discrimination, penalty, or retaliation for reasons related directly or indirectly to the report. At the same time, the protection of the reported individual is ensured.

È compito del suddetto soggetto procedere ai necessari accertamenti nel minor tempo possibile e, se necessario, procedere ad ulteriori verifiche, in conformità alla procedura adottata dalla Società. Where in-depth investigations reveal situations of serious violations of the Model and/or the Code of Ethics or where the individual responsible for managing the reports has a well-founded suspicion of the commission of an offense relevant under Legislative Decree 231/01, they proceed without delay to communicate the report to the Supervisory Body (OdV) and share their assessments with the Board of Directors and the Board of Statutory Auditors.

Furthermore, all information is treated in accordance with current privacy regulations (Legislative Decree no. 196/2003 and subsequent amendments and European Regulation no. 679/2016).

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## 7. COMMUNICATION AND DISSEMINATION PLAN

For the effective implementation of the Model, the Company promotes training and information activities regarding the Model. To this end, a specific communication and training plan is developed, structured according to the type of audience, with the aim of ensuring the dissemination of the Model and the Decree's contents.

The Model is communicated to the Board of Statutory Auditors and the Supervisory Body, who receive an authorized copy. The Model is also communicated to employees through:

- Delivery of an excerpt of the documentation to employees and new hires (Code of Ethics, Disciplinary System, General Part);
- Informational meetings about the purposes and contents of the Model (expressly provided for top functions or area managers);
- Posting the Code of Ethics and the Disciplinary System on the company bulletin board.

BVT also promotes full transparency of the Model externally, towards third parties, by publishing the Code of Ethics and the General Part of the Model on the company website. The communication plan should be developed with the intention of ensuring widespread, clear, and comprehensive communication, with periodic updates following changes or additions to the Model or in response to regulatory developments.

To ensure effective knowledge of the Model and its constituent elements at all levels, the Management, in collaboration with the Supervisory Body (OdV), plans and implements training interventions for employees and external collaborators annually.

The training plan includes two different training modalities:

- General training aimed at all levels of the organization.
- Specific training that involves top-level individuals or personnel engaged in activities at risk of offenses.
- General training should provide basic knowledge of Legislative Decree 231/01, the contents and purposes of the Model, and the duties/powers of the Supervisory Body (OdV).

Specific training should provide knowledge and awareness regarding the risks associated with company activities, the control measures to be activated, and risk assessment techniques. This is intended to provide concrete elements for the identification of any anomalies or non-compliance.

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The requirements that the Company's training plan must meet include:

- Mandatory participation in training courses.
- The presenter must be a competent person.
- Attendance should be functional to corporate action.
- Training activities must be recorded and verified.

The Company commits to delivering training on the topic as outlined in the relevant guidelines.

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