

PROCEDURE TO MANAGE WHISTLEBLOWING REPORTS

Procedure to manage Whistleblowing Reports

Services involved:	<ul style="list-style-type: none">• All recipients of the Model
Approved by	Supervisory Body

Revision

No.	Start date	Subject	Created by:
0		First version of the document	Supervisory Body
1			
2			

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1. Definitions

The following terms in this document and the relevant annexes have the meaning given below:

- **"Activities at risk of an offence"**: the process, transaction, action, or the group of transactions and actions, which can expose the Company to the risk of penalties, pursuant to the Decree, as a result of the commission of an Offence.
- **"CCNL"**: the National Collective Contract applicable to the Company's employees.
- **"Code of Ethics"**: the document, officially decided and approved by Company senior management as an explanation of the corporate policy, which contains the general principles of conduct, i.e. recommendations, obligations and/or prohibitions, with which the Recipients must comply and the breach of which is sanctioned.
- **"Legislative Decree 231/2001"** or **"Decree"**: Italian Legislative Decree No. 231, 8 June 2001, containing the *"Provisions on the administrative liability of legal persons, companies and associations, including those without legal personality, pursuant to Art. 11, Law 300, 29 September 2000"*, published in the Official Gazette No. 140, 19 June 2001, and subsequent amendments and supplements.
- **"Recipients"**: Corporate bodies (Shareholders' Meeting, Board of Directors, Board of Auditors), Employees, Suppliers and all those working in the interest or to the advantage of the Company, with or without representation and regardless of the nature and type of relationship held with the principal Company. The Recipients are obliged to comply with the Model, the Code of Ethics and preventive Protocols.
- **"Employees"**: all the natural persons in a subordinate work relationship with the Company.
- **"Organisation, management and control model pursuant to Italian Legislative Decree 231/2001"** or **"Model"**: the Organisation, Management and Control Model the Corporate Bodies consider appropriate to prevent the Offences and, therefore, adopted by the Company, pursuant to Articles 6 and 7 of the Legislative Decree, in order to prevent the commission of those Offences by Top Management or subordinate personnel, as described in this document and the relevant annexes.
- **"Corporate Bodies"**: the Company Board of Directors and/or the Board of Auditors.
- **"Supervisory Body"** or **"SB"**: the Body contemplated by Art. 6 of the Legislative Decree, with the task of supervising the functioning of, compliance with and update of the Organisation, Management and Control Model.
- **"Personnel"**: all the natural persons in a work relationship with the Company, including employed workers, temporary agency workers, collaborators, *"interns"* and freelancers, appointed by the Company.

- **"Top Management"**: the individuals referred to in Article 5, paragraph 1, letter a) of the Decree, i.e. the individuals who hold powers of representation, administration or management of the Company; more specifically, the members of the Board of Directors, the Chairman and any proxies or representatives with power of attorney of the Company.
- **"Personnel subject to the management of others"**: the individuals referred to in Article 5, paragraph 1, letter b) of the Decree, i.e. all the personnel working under the management or supervision of Top Management.
- **"Public Administration" or "P.A."**: Public Administration is understood as:
 - the State (or State Administration);
 - the Public Bodies: more specifically, a Public Body is identified as such by law, or it is a Body subject to a public control system, to intrusions by the State or another Administration as regards the appointment or dismissal of its directors, including the Body's own Administration. It is characterised by the participation of the State or another Public Administration in its management expenses; or by the decisional power the State holds over its bodies; or by institutional public funding; or by publicly owned incorporation.
 - Public Official: a person who exercises "a legislative, judicial or administrative public function". For the purposes of criminal law, "an administrative function is public if controlled by regulations of public law and acts of an authority and characterised by the expression of the wish of public administration or by its implementation using powers of authorisation or certification" (Art. 357, Italian Criminal Code);
 - Public Service Operator: a person who "performs a public service for whatever purpose. Public service shall mean an activity that is governed in accordance with the same modalities as a public function, although in the absence of the power vested in the latter, and excluding the performance of simple ordinary tasks and exclusively material work." (Art. 358, Italian Criminal Code). "For whatever purpose" is understood to be an individual, who exercises a public function even without a formal or regular appointment (charged "de facto" with a public service). It does not actually cover the relationship between the P.A. and the individual providing the service.
- **"Protocol"**: the organisational, physical or logical provision defined by the Model to prevent the risk of committing Offences.
- **"Offences" or the "Offence"**: the group of offences, or single offence, referred to in Legislative Decree 231/2001 (as amended and supplemented in future).
- **"Disciplinary System"**: the group of penalties applicable in the event of a breach of the procedural and conduct rules contemplated by the Model;
- **"Company"**: Ferretti S.p.A.

2. Preamble

The Company has adapted its entrepreneurial policy to comply with the principles of lawfulness and fairness envisaged by the Code of Ethics, thus making it clear that it is unrelated to any improper or unlawful policies or conduct. This policy is set out in the Organisation, Management and Control Model to prevent the risk of committing an offence, adopted pursuant to and by effect of Articles 6 and 7 of Legislative Decree 231/2001.

To protect Company integrity, all Recipients of the Model are obliged to provide circumstantiated reports of any major, unlawful conduct, pursuant to Legislative Decree 231/2001, which, in good faith and on the basis of reasonable conviction founded on elements of fact, they believe have occurred or of breaches of the Organisation, Management and Control Model adopted by the Company, which have come to their knowledge as a result of the functions they carry out.

3. Purpose

This document aims to regulate the process to manage the Reports, as defined in Section 4, according to procedures that will guarantee the whistleblower's anonymity.

The Company undertakes to protect those who have reported in good faith from any intimidation and retaliation.

If the reports are made by individuals who have provided their personal details and who are in bad faith and/or proof is provided that they contain slanderous/libellous contents, the provisions contemplated in the corporate disciplinary system will be taken against the self-identified Whistleblower (see Disciplinary System of Penalties) and appropriate protective legal action will be considered.

4. The Reports under this procedure

This procedure regards the following Reports (hereinafter also referred to as "Whistleblowing"):

- serious, unlawful conduct pursuant to Legislative Decree 231/01;
- breaches of the Model, Code of Ethics or preventive Protocols, from which a disciplinary risk may derive for the Company pursuant to the Decree;
- the situations which reveal any abuse by an individual of the power granted to him, and also any facts which, regardless of their criminal relevance, can put the Company at risk;

- all conduct which, although it has as yet no criminal relevance, is precursory to the commission of offences according to Legislative Decree 231/2001, or symptomatic of the desire to circumvent or breach the Model, Code of Ethics or preventive Protocols, from which a disciplinary risk may derive for the Company pursuant to the Decree;
- corporate transactions or business for which there is reason to suspect that a disciplinary risk may arise for the Company pursuant to the Decree.

Conduct to be reported:

- may be suspected of committing a specific breach or even of simply omitting to report same breach;
- may concern a request to breach or induce the commission of a breach;
- could cause damage, economic or financial loss or even merely reputational damage for the Company.

5. Scope of application

5.1. Recipients

This document addresses the following individuals, the so-called Whistleblowers (see Art. 6, Paragraph 2 *bis*, Italian Legislative Decree 231/2001, introduced by Italian Law 179/2017):

- persons serving as representatives, or holding administrative or senior executive positions within the entity or an organisational unit of same which is financially and functionally independent, and persons who exercise, even de facto, management and control of the entity (so-called "top management") and
- individuals under the direction or supervision of one of the persons mentioned above, the so-called "subordinates": the term subordinates also refers to all those who operate in the name and on behalf of the entity (suppliers, trade partners, financial backers, consultants, collaborators and, generally speaking, all external individuals with relationships with the Company).

5.2. Corporate boundary

This document applies to the Company Ferretti S.p.A.

The Whistleblowing process illustrated in this document does not include any commercial communications (e.g. claims). In general terms, the Company urges its employees to resolve any work disputes by even informal dialogue among colleagues and/or with their direct superior, where possible.

6. Process to manage the Reports

6.1. How to send the Report

Anyone who wishes to make a Report must send it to the certified e-mail address provided by the Supervisory Body: odv@ferrettigroup.com and attach the appropriate form provided in Annex 1.

The Form guides the Whistleblower through a structured series of questions and requests for proof, to help describe the situation in the Report clearly, precisely and with circumstantiated evidence.

The Reports must be based on precise, concordant facts.

The Whistleblower is asked to attach all the documentation proving the facts reported, without keeping any copies and refraining from undertaking any autonomous initiative of analysis and investigation.

6.2. Receipt and analysis of the Report

The Company Supervisory Body has the task of managing the Reports.

The Body is not responsible for any operational areas and reports functionally to the Company's Board of Directors.

The Supervisory Body treats the reports as confidential and adopts appropriate verification procedures to protect both the Whistleblower's privacy and the reported persons' identity and integrity.

Preliminary verification

The SB verifies all the Reports received to understand whether the communication includes the necessary information, for it to be able to make an initial check of the substance of the accusation and then promote further investigations.

The SB may make use of other Company structures or specialised consultants during its preliminary investigation, depending on the specific knowledge required regarding the contents of the Report under verification.

Once it has concluded the preliminary investigation, the SB archives clearly unfounded Reports as well as non-circumstantiated Reports, i.e. those in which the description of the facts and information provided by the whistleblower are insufficient to gain a sufficiently detailed picture in order to commence further investigations to ascertain whether the claims are founded.

The SB archives the Reports which fail the preliminary phase in the same certified e-mail box and gives an account of them in its regular report described below. These Reports can be erased three years after they have been archived.

Investigations into the verifications

If a preliminary verification has established that the Report, being adequately circumstantiated, can be investigated further in order to assess whether it is founded, the SB will:

- conduct specific investigations, possibly using other corporate structures according to their specific competences, or external consultants, where necessary;
- interrupt the investigations if the Report proves to be unfounded as a result.

The Company undertakes to provide the Whistleblower with an initial reply (via certified e-mail) within 20 days from receiving the Report. The SB does its best to ensure the reports are processed within a reasonable time. The preliminary investigation cannot usually exceed three months, unless there are specific circumstances to demonstrate and document. During the preliminary investigation phase, the SB may notify the Whistleblower of the Report status and even ask additional questions and request for clarifications regarding the Report.

In the preliminary investigation and verification phase, the SB:

- guarantees an impartial, fair and accurate analysis and assessment of the report;
- ensures the information collected remains confidential and the Whistleblower's anonymity.

Once the preliminary investigation has concluded, the SB records the Reports in the special Reports and Investigations Register and describes the analyses made and the results obtained. It will then archive the Report and the relevant documentation in a special directory accessible only to the SB. If necessary, the SB then activates the disciplinary system, as set out in Annex 4, General Section of the Organisation, Management and Control Model.

7. Disciplinary system

7.1. Identification of the body in charge of activating the Disciplinary System

Depending on the category of the individual referred to in the Report (reported individual), the Supervisory Body identifies the corporate function with the competence to proceed with any necessary measures/interventions (see point 7.2 of this procedure). It continues to inform the Chief Executive Officer/ Board of Directors, although it maintains the secrecy of the whistleblower's identity, except in the cases provided by law or with the whistleblower's express consent to the *disclosure*.

This procedure does not prejudice the whistleblower's criminal and disciplinary liability in the event of a slanderous or libellous report, pursuant to the Italian Criminal Code and to Art. 2043 of the Italian Civil Code.

Disciplinary action is also taken against the person who commits gross negligence or wilful misconduct when making reports which prove to be unfounded.

Any forms of abuse of this procedure, e.g. clearly opportunistic reports and/or reports aiming to harm the reported person or other parties, and any other possible improper use or intentional exploitation of this procedure, all produce liability, for which disciplinary measures are taken, including in other competent courts.

7.2. Implementation of the Disciplinary System provisions

The body in charge of implementing the Disciplinary System decides which type of penalty to apply to the persons who have committed proven breaches further to the report.

The penalty must be in line with the applicable labour law provisions and may be graded according to the severity.

If the whistleblower is jointly responsible for the breaches, he/she may receive privileged treatment compared to the other jointly responsible persons, depending on the breach committed and on the applicable regulations.

Depending on the roles reported, the Disciplinary System will be implemented by:

- HR/CEO if the reported person is a Company employee or manager;
- Board of Directors, if the reported person is an Auditor;
- Board of Auditors, if the reported person is a Director;
- Board of Directors, if the reported person is a member of the Supervisory Body;
- CEO, if the reported person is a third party.

8. Guarantees regarding the reporting (Whistleblowing) system

The breach of the obligations of confidentiality of the whistleblower's data is considered as a breach of Model 231 and will be disciplined pursuant to the disciplinary and penalty system established by the corporate Model 231.

Without prejudice to the following, please note that a retaliatory or discriminatory dismissal against the whistleblower is void, as are any changes in duties, pursuant to Article 2103 of the Italian Civil Code, including any other measure of retaliation or discrimination taken against the whistleblower. The employer is obliged to demonstrate, in the event of any disputes connected to the implementation of disciplinary sanctions, or removal from duties, dismissals, transfers, or any other organisational measure to which the whistleblower has been subjected which have direct or indirect, negative effects on work conditions after the report was filed, that those measures are founded on grounds unrelated to the report.

The whistleblower and his/her reference trade union organisation can report any discriminatory measures to the National Labour Inspectorate as regards the provisions for which it is competent.

9. Archiving

The SB is notified of any penalties imposed as a result of the Reports. The competent corporate functions archive the documentation regarding the disciplinary and penalty system. The SB, on the other hand, will archive the documentation regarding the Report and its preliminary investigation in

a special directory accessible only to the SBN, also completing the Reports and Investigations Register with the results of the investigations.

10. Reporting

The Supervisory Body reports annually on the correct operation of the internal reporting systems. In its report, it includes aggregated information on the results of the work carried out and on the follow-up to the Reports received. When it draws up this report, the SB is obliged to comply with the provisions concerning the protection of personal data.

11. Special cases

If the report concerns a member of the Supervisory Body, the standard procedure above shall be followed.

If the Report contains serious, specific and consistent elements and regards several members of the Supervisory Body, it shall be sent to the Board of Directors, by delivering the documentary file to the Chairman (or by sending the file via regular post addressed to the kind attention of the Chairman of the Board of Directors c/o Ferretti S.p.A.)

The Board of Directors consults with the Board of Auditors and jointly assesses whether the Report is complete with all the information required to initially verify it is well-founded to be able to start any subsequent investigations. Any subsequent investigations may make use of the competent, corporate departments and, if necessary, of specialised consultants.

The investigation follows the process described in this procedure.

The decision of the Board of Directors is formalised by a written deliberation.

ANNEX 1 - REPORT FORM

WHISTLEBLOWING REPORT FORM

All the documents considered useful to corroborate the report must be attached. If the report is made verbally, the documents can be handed over directly.

WHISTLEBLOWER'S DATA

Name and Surname *(not mandatory)*

Department and job title *(not mandatory)*

Contact details (e.g. private e-mail address, telephone number, etc.)

Does the whistleblower have a personal interest linked to the report? Yes No

Specify the nature of the personal interest linked to the report

Is the whistleblower jointly responsible for the breaches he/she is reporting? Yes No

UNLAWFUL ACT REPORTED

Period/date on which the fact occurred

Corporate operational area to which the fact refers

Individuals involved:

Internal	External
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Description of the fact in the report

Other individuals who may be able to provide information on the facts in the report

Internal	External
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Are there any other individuals to whom the fact has been reported? Yes No

Specify the individuals and when

Date

Signature *(not mandatory)*