

ERIDANIA ITALIA
S.p.A.

MODEL OF
ORGANISATION,
MANAGEMENT AND
CONTROL
(Italian Legislative
Decree no. 231/2001)

GENERAL SECTION

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Contents

CONTENTS	2
INTRODUCTION	6
ERIDANIA ITALIA S.P.A.	6
THE CORPORATE GOVERNANCE OF ERIDANIA	7
1. ITALIAN LEGISLATIVE DECREE NO. 231 OF 8 JUNE 2001	8
1.1 GENERAL PRINCIPLES	8
1.2 LIST OF PREDICATE CRIMES AND ADMINISTRATIVE OFFENCES UNDER THE DECREE	9
1.3 THE PENALTY SYSTEM UNDER THE DECREE	17
1.4 THE MODEL OF ORGANISATION, MANAGEMENT AND CONTROL AS AN EXEMPTION FROM THE LIABILITY UNDER THE DECREE	18
2. THE MODEL OF ORGANISATION, MANAGEMENT AND CONTROL OF ERIDANIA	20
2.1 STRUCTURE OF THE MODEL	20
2.2 THE OBJECTIVES AND AIMS PURSUED WITH THE ADOPTION OF THE MODEL	20
2.3 THE “RECIPIENTS” OF THE ERIDANIA MODEL	21
2.4 THE PREPARATION AND UPDATE OF THE ERIDANIA MODEL	22
2.5 THE MAP OF RISK ACTIVITIES AT ERIDANIA	23
2.6 THE APPROVAL OF THE ERIDANIA MODEL, AND OF AMENDMENTS AND SUPPLEMENTS THEREOF	24
2.7 RELATIONS WITH SECI	24
3. THE SUPERVISORY BODY	26
3.1 GENERAL PRINCIPLES	26
3.2 REQUIREMENTS OF THE SUPERVISORY BODY	26
3.3 CAUSES OF INELIGIBILITY, REVOCATION, SUSPENSION AND CESSATION OF OFFICE	27
3.4 DUTIES OF THE SUPERVISORY BODY	29
3.5 THE REPORTING ACTIVITY OF THE SUPERVISORY BODY	30
3.6 OBLIGATIONS OF PROVIDING INFORMATION TO THE BODY	31
3.7 RELATIONSHIPS WITH THE SUPERVISORY BODIES OF SISTER AND THE PARENT COMPANIES	33

4. TRAINING AND INFORMATION FOR THE WHOLE STAFF, INCLUDING SENIOR EXECUTIVES **34**

4.1 GENERAL PROVISIONS	34
4.2 INITIAL COMMUNICATION	34
4.3 STAFF TRAINING	34
4.4 INFORMATION TO “THIRD-PARTY RECIPIENTS”	35

5. DISCIPLINARY SYSTEM **36**

5.1 GENERAL PROFILES	36
5.2 PENALTIES FOR EMPLOYEES OTHER THAN MANAGERS	36
5.3 PENALTIES FOR MANAGERS	38
5.4 PENALTIES FOR DIRECTORS AND AUDITORS	38
5.5 PENALTIES FOR NON EMPLOYEES	39

Definitions

Sensitive activities

Company activities within which the opportunities, conditions and instruments for the commission of the crimes could potentially be created.

Code of Ethics

The Code of Ethics of the Maccaferri Group.

NLCA

The Italian National Labour Collective Agreement applicable to the Employees of Eridania Italia S.p.A., or the Italian National Labour Collective Agreement for Employees of Industrial Food Companies.

Board of Directors (also BoD or Governing Body)

The Board of Directors of Eridania Italia S.p.A.

Collaborators

Persons who have collaborative relationships with the Company without any contract of employment, persons having the commercial representation of the Company and any other relationship aimed at the the provision of a professional service, on a continuous or occasional basis, not intended as having an employment nature, as well as those representing the Company before any third parties by virtue of specific mandates and powers of attorney.

Decree of Italian Legislative Decree no. 231/2001

Italian Legislative Decree no. 231 of 8 June 2001 on the "Regulation of the administrative liability of legal persons, companies and associations, including those without legal status, pursuant to Art. 11 of Italian Law no. 300 of 29 September 2000", as amended and supplemented from time to time.

Recipients

The parties to whom the provisions of this Model apply.

Employees

Persons subject to the management or supervision of parties which have positions of representation, administration or management of the Company¹, that is all the parties which have an employed working relationship, of any nature, with the Company, as well as the workers with consultancy² contracts.

Organisations

Legal persons, companies and associations, including those without legal status, to which the provisions under the Decree apply.

Suppliers

Those who supply goods or services to the Company.

Group

The Eridania Group.

IFS or International Food Service

Standards, as required above all by large scale organised distribution, which aim at guaranteeing the food safety of products.

Model

This Model of Organisation, Management and Control as adopted pursuant to Articles 6 and 7 of Italian Legislative Decree no. 231/2001 and relevant attachments.

Supervisory Body (also Body or SB)

Body of the Organisation having autonomous powers of initiative and control, with the duty of supervising the adequacy and functioning of and compliance with the Model as well as providing for its update.

Company

Eridania Italia S.p.A.

¹ Art. 5.1, letter a) and b) of Italian Legislative Decree no. 231 of 8 June 2001.

² Coordinated and continuous collaboration as well as project works are included therein only for the cases excluded by the application of Articles 61 and following of Italian Legislative Decree no. 276/2003.

Introduction

Eridania Italia S.p.A.

Eridania Italia S.p.A. (hereinafter also “Eridania” or the “Company”) is part of the Maccaferri Industrial Group which operates at international level through non-listed companies and carries out activities within various industries³.

The Eridania Group (hereinafter also the “Group”) consists of: Eridania Sadam S.p.A. (parent company), Eridania Italia S.p.A., Sadam Engineering S.r.l., Naturalia Ingredients S.r.l. , Eridania Suisse S.A. and JCube S.r.l..

Eridania carries out activities relating to the purchase, storage, packaging, promotion, sale and, in general, marketing and distribution of food products in European Union market and guarantees a manufacturing and distributive model which is effective and innovative, aimed at the enhancement and integration of the entire chain.

Eridania’s business philosophy does not relate only to the economic factor, but meets a precise system of values which the Company intends to promote and distribute also by means of this Model of Organisation, Management and Control.

The Company has attained the **ISO 9001:2000** Certification at all the factories within the Group and guarantees maximum safety in the supply of and complete traceability of the product. The packing centre situated in Russi (RA) is a **certified International Food Service (IFS)** centre.

Eridania is particularly sensitive to the policy of sugar supply, above all with reference to the food safety of the product and the traceability of the raw materials. The Company has adopted a system which allows the assessment of the factors which could reasonably influence the healthiness and composition characteristics of the sugar, keeping quality management under control regardless of the origin of the raw material.

³ The business sectors of the Maccaferri Industrial Group cover various areas, including: the mechanical, metallurgical/environmental, real estate, sugar and energy industry. The Group also works in the construction, quarry, tobacco and biotechnology industries.

Furthermore, the Company has adopted and implemented measures aimed at promoting and protecting the safety of workers in the workplace as required by Italian Legislative Decree no. 81/2008, and has also conformed to the requirements regarding the protection of the personal data (as per Italian Legislative Decree no. 196/2003, known as “Privacy Code”) through the Data Security Policy for the processing of personal data as prepared by the parent company and valid for the whole Eridania Group.

The Corporate Governance of Eridania

The Company has an oligarchic organisational structure of traditional type, which consists of: Board of Directors, Chairman of the Board of Directors, Vice-Chairman of the Board of Directors, Managing Director, Board of Auditors and External Audit Company (voluntary auditing).

1. Italian Legislative Decree no. 231 of 8 June 2001

1.1 General principles

Italian Legislative Decree no. 231 of 8 June 2001 introduced into our legislation the administrative liability of Organisations for administrative offences relating to crimes committed (or attempted) in the interest or to the advantage of the Organisation by:

- persons holding positions of representation, administration or management of the Organisation or one Organisational Unit thereof which has financial and functional autonomy, as well as natural persons who exercise, including de facto, the management and the control thereof (the so-called “Senior Executives”);
- “Subordinates”, namely persons subject to the management or supervision of the aforementioned persons.

This form of liability, although defined as “administrative” by the legislator, has the nature of criminal liability, since it is ascertained as part of the criminal process, results from committed crimes and involves the application of penalties imposed by the criminal system.

The legislation does not apply to the State, to public territorial organisations, other non economic public organisations or to organisations which perform functions of constitutional importance.

The Decree has adjusted the national regulations on liability of legal persons to some International Conventions which Italy had already adhered to for some time⁴.

The liability of the Organisation, pursuant to the Decree, **is in addition to and does not replace** the (criminal) liability of the perpetrator of the crime: the natural person as well as the legal person will therefore be subject to criminal judgement.

⁴ Brussels Convention of 26 July 1995 on the protection of the financial interests of the European Community, Brussels Conventions of 26 May 1997 on the fight against corruption involving officials of the European Community or officials of member states, and the OECD Convention of 17 December 1997 on combating bribery of foreign public officials in international business transactions.

1.2 List of predicate crimes and administrative offences under the Decree

The Organisation's liability exists only for those (committed or attempted) crimes expressly provided for by the legislator.

In particular, it relates to the following administrative crimes and offences:

A) CRIMES AGAINST THE PUBLIC ADMINISTRATION AND ITS ASSETS (Articles 24 and 25 of the Decree)

- Misappropriation to the detriment of the State (Art. 316-*bis* of Italian Criminal Code);
- Improper receipt of funds to the detriment of the State (Art. 316-*ter* of Italian Criminal Code);
- Fraud to the detriment of the State or another Public Organisation (Art. 640, paragraph 2, no. 1 of Italian Criminal Code);
- Aggravated fraud for the attainment of public funds (Art. 640-*bis* of Italian Criminal Code);
- Computer fraud to the detriment of the State or another Public Organisation (Art. 640-*ter* of Italian Criminal Code);
- Bribery of a public official (Art. 318 of Italian Criminal Code);
- Incitement to commit bribery (Art. 322 of Italian Criminal Code);
- Undue inducement to give or promise benefits (Art. 319-*quater* of Italian Criminal Code);
- Extortion (Art. 317 of Italian Criminal Code);
- Bribery for a deed against official duties (Articles 319, 319-*bis* and 321 of Italian Criminal Code);
- Judicial bribery (Articles 319-*ter* and 321 of Italian Criminal Code);
- Bribery of a person in charge of public service (Art. 320 of Italian Criminal Code);
- Embezzlement, extortion, bribery and incitement to commit bribery of members of the International Criminal Court or of the bodies of the European Community and officials of the European Community and foreign States (Art. 322-*bis* of Italian Criminal Code).

B) COMPUTER CRIMES AND ILLEGAL DATA PROCESSING (Art. 24-*bis* of the Decree)

- Forgery of a public or private computer document (Art. 491-*bis* of Italian Criminal Code);
- Unlawful access to a computer or electronic system (Art. 615-*ter* of Italian Criminal Code);
- Holding and unlawful distribution of access codes to computer or

- electronic systems (Art. 615-*quater* of Italian Criminal Code);
- Distribution of equipment, devices or computer programmes aimed at damaging or disconnecting a computer or electronic system (Art. 615-*quinquies* of Italian Criminal Code);
- Interception, impediment or unlawful disconnection of computer or electronic communications (Art. 617-*quater* of Italian Criminal Code);
- Installation of equipment aimed at intercepting, preventing or disconnecting computer or electronic communications (Art. 617-*quinquies* of Italian Criminal Code);
- Damaging to information, data and computer programmes (Art. 635-*bis* of Italian Criminal Code);
- Damaging of information, data and computer programmes used by the State or by another public organisation or organisation which is, in any case, of public interest (Art. 635-*ter* of Italian Criminal Code);
- Damaging of computer or electronic systems (Art. 635-*quater* of Italian Criminal Code);
- Damaging of computer or electronic systems of public interest (Art. 635-*quinquies* of Italian Criminal Code);
- Computer fraud of the parties which provides electronic signature certification services (Art. 640-*quinquies* of Italian Criminal Code).

C) Organised crime (Art. 24-*ter* of the Decree)

- Association to commit crime (Art. 416 of Italian Criminal Code);
- Association to commit mafia-type crime (Art. 416-*bis* of Italian Criminal Code);
- Mafia-related Political Election Exchange (Art. 416-*ter* of Italian Criminal Code);
- Kidnapping of a person for the purposes of robbery/extortion (Art. 630 of Italian Criminal Code);
- Association to commit crime aimed at drug trafficking (Art. 74 of Italian Presidential Decree no. 309/1990);
- Offences relating to the illegal manufacturing, introduction into the State, putting on sale, transfer, possession and taking into a public place or place open to the public of weapons of war or similar or parts thereof, explosives, illegal weapons as well as more common firearms (Art. 407, paragraph 2 letter a) number 5 of Italian Code of Criminal Procedure).

D) CRIMES OF COUNTERFEITING MONEY, LEGAL TENDERS, REVENUE STAMPS AND INSTRUMENTS OR IDENTIFYING SIGNS (Art. 25-*bis* of the Decree)

- Counterfeiting of money, spending and introduction into the State, in a

- complicit manner, of counterfeit money (Art. 453 of Italian Criminal Code);
- Alteration of money (Art. 454 of Italian Criminal Code);
 - Spending and introduction into the State, in a non-complicit manner, of counterfeit money (Art. 455 of Italian Criminal Code);
 - Spending of counterfeit money received in good faith (Art. 457 of Italian Criminal Code);
 - Counterfeiting of official stamps, introduction into the State, purchase, holding or putting into circulation of counterfeit official stamps (Art. 459 of Italian Criminal Code);
 - Forgery of watermarked paper used for the production of legal tender or official stamps (Art. 460 of Italian Criminal Code);
 - Manufacturing or holding of watermarks or instruments to be used for the counterfeiting of money, official stamps or watermarked paper (Art. 461 of Italian Criminal Code);
 - Use of forged or altered official stamps (Art. 464 of Italian Criminal Code);
 - Forgery, alteration or use of distinguishing marks of original works or of industrial products (Art. 473 of Italian Criminal Code);
 - Introduction into the State and trading of products with false marks (Art. 474 of Italian Criminal Code).

E) CRIMES OF DISRUPTION OF THE FREEDOM OF TRADE AND INDUSTRY
(Art. 25-bis .1 of the Decree)

- Disruption of the freedom of trade and industry (Art. 513 of Italian Criminal Code);
- Fraud in the exercising of trade (Art. 515 of Italian Criminal Code) ;
- Sale of non genuine food substances as genuine (Art. 516 of Italian Criminal Code);
- Sale of industrial products with false marks (Art. 517 of Italian Criminal Code);
- Manufacturing and trade of goods created by violating industrial property ownership titles (Art. 517-ter of Italian Criminal Code);
- Infringements of marks of geographical indications or origin names of food products (Art. 517-quater of Italian Criminal Code);
- Unlawful competition with threats or violence (Art. 513-bis of Italian Criminal Code);
- Fraud against national industries (Art. 514 of Italian Criminal Code).

F) CORPORATE CRIMES (Art. 25-ter of the Decree)

- False company communications (Art. 2621 of Italian Civil Code);

- Minor facts (Art. 2621-*bis* of Italian Civil Code);
- False company communications of listed companies (Art. 2622 of Italian Civil Code);
- Preventing control activities (Art. 2625 of Italian Civil Code);
- Undue return of contributions (Art. 2626 of Italian Civil Code);
- Illegal division of profits and reserves (Art. 2627 of Italian Civil Code);
- Unlawful operations on shares or company quotas or quotas of the parent company (Art. 2628 of Italian Civil Code);
- Operations to the detriment of creditors (Art. 2629 of Italian Civil Code);
- Failure to communicate a conflict of interest (Art. 2629-*bis* of Italian Civil Code)
- Fictitious formation of the share capital (Art. 2632 of Italian Civil Code);
- Undue division of company assets by liquidators (Art. 2633 of Italian Civil Code);
- Bribery among private individuals (Art. 2635 of Italian Civil Code);
- Unlawful influence on the shareholders' meeting (Art. 2636 of Italian Civil Code);
- Market manipulation (Art. 2637 of Italian Civil Code);
- Blocking the exercise of the functions of the public supervision authorities (Art. 2638 of Italian Civil Code).

G) CRIMES FOR THE PURPOSES OF TERRORISM OR SUBVERSION OF DEMOCRATIC ORDER (Art. 25-*quater* of the Decree)

This relates to crimes under Italian Criminal Code and special Italian laws for the purposes of terrorism or subversion as well as crimes put in place in violation of the provisions under Article 2 of the International Convention for the suppression of the financing of terrorism signed in New York on 09 December 1999.

H) CRIME OF PRACTICES OF MUTILATION OF FEMALE GENITALS (Art. 25-*quater.1* of the Decree)

This relates to the crime provided for by Art. 583-*bis* of Italian Criminal Code.

I) CRIMES AGAINST THE PERSON (Art. 25-*quinquies* of the Decree)

- Reduction or maintaining in conditions of slavery and servitude (Art. 600 of Italian Criminal Code);
- Child prostitution (Art. 600-*bis* of Italian Criminal Code);
- Child pornography (Art. 600-*ter* of Italian Criminal Code);
- Holding pornographic material (Art. 600-*quater* of Italian Criminal Code);
- Internet pornography (Art. 600-*quater* 1 of Italian Criminal Code);

- Tourist initiatives aimed at exploiting child prostitution (rt. 600-*quinquies* of Italian Criminal Code);
- People trafficking (Art. 601 of Italian Criminal Code);
- Selling and purchasing of slaves (Art. 602 of Italian Criminal Code).
- Child grooming (Art. 609-*undecies* of Italian Criminal Code).

L) MARKET ABUSE

CRIMES (Art. 25-*sexies* of the Decree)

- Abuse of privileged information (Art. 184 of Italian Consolidated Finance Act);
- Market manipulation (Art. 185 of Italian Consolidated Finance Act).

ADMINISTRATIVE OFFENCES (Art. 187-*quinquies* of Italian Consolidated Finance Act)

- Abuse of privileged information (Art. 187-*bis* of Italian Consolidated Finance Act);
- Market manipulation (Art. 187-*ter* of Italian Consolidated Finance Act).

M) TRANSNATIONAL CRIMES (Art. 10 of Italian Law no. 146 of 16 March 2006)

- Association to commit crime (Art. 416 of Italian Criminal Code);
- Association to commit mafia-type crime (Art. 416-*bis* of Italian Criminal Code);
- Association aimed at unlawful trafficking of drugs or psychotropic substances (Art. 74 of Italian Presidential Decree no. 309 of 09 October 1990);
- Association to commit crime for the purposes of smuggling tobacco processed abroad (Art. 291-*quater* of Italian Presidential Decree no. 43 of 23 January 1973);
- Incitement not to make declarations or to make false declarations to the judicial authorities (Art. 377-*bis* of Italian Criminal Code);
- Aiding and abetting (Art. 378 of Italian Criminal Code);
- Provisions against illegal immigration (Art. 12 paragraph 3, 3-*bis*, 3-*ter*, 5 of Italian Legislative Decree no. 286 of 25 July 1998).

N) CRIMES OF MANSLAUGHTER AND SERIOUS AND VERY SERIOUS INJURY COMMITTED IN VIOLATION OF THE REGULATIONS ON HEALTH PROTECTION AND SAFETY AT WORK (Art. 25-*septies* of the Decree)

- Manslaughter (Art. 589 of Italian Criminal Code);

- Serious or very serious negligent injury (Art. 590 of Italian Criminal Code)

committed in violation of the regulations on health protection and safety at work.

O) CRIMES OF RECEIVING OF STOLEN GOODS, MONEY LAUNDERING, USE OF MONEY, GOODS OR SERVICES OF ILLEGAL ORIGIN (art. 25-octies of the Decree)

- Receiving of stolen goods (Art. 648 of Italian Criminal Code);
- Money laundering (Art. 648-bis of Italian Criminal Code);
- Use of money, goods or benefits of illegal origin (Art. 648-ter of Italian Criminal Code);
- Self-laundering (Art. 648-ter 1 of Italian Criminal Code).

P) CRIMES REGARDING COPYRIGHT VIOLATIONS (Art. 25-novies of the Decree)

- Criminal-law protection of rights of economic and moral use (Art. 171, paragraph 1, letter a-bis and paragraph 3, of Italian Law no. 633/1941);
- Criminal-law protection of software and databases (Art. 171-bis, paragraph 1, of Italian Law no. 633/1941);
- Criminal-law protection of audiovisual works (Art. 171-ter of Italian Law no. 633/1941);
- Criminal liability related to media (Art. 171-septies of Italian Law no. 633/1941);
- Criminal liability related to restricted access audiovisual transmissions (Art. 171-octies of Italian Law no. 633/1941).

Q) CRIME OF INCITEMENT NOT TO MAKE DECLARATIONS OR TO MAKE FALSE DECLARATIONS TO THE JUDICIAL AUTHORITIES (Art. 25-decies of the Decree)

This relates to the crime under Art. 377-bis of Italian Criminal Code.

R) ENVIRONMENTAL CRIMES (Art. 25-undecies of the Decree)

This relates to crimes under Italian Criminal Code and special Italian laws. In particular, in relation to the commission of the **crimes under Italian Criminal Code**:

- Environmental pollution (Art. 452-bis of Italian Criminal Code);
- Environmental disaster (Art. 452-quater of Italian Criminal Code);
- Negligent crimes against the environment (Art. 452-quinquies of Italian Criminal Code);

- Traffic and abandonment of highly radioactive materials (Art. 452-*sexies* of Italian Criminal Code);
- Aggravating circumstances (Art. 452-*octies* of Italian Criminal Code);
- Killing, destruction, capture, removal or possession of protected species of wild animals or plants (Art. 727-*bis* of Italian Criminal Code);
- Destruction or deterioration of habitats within a protected site (Art. 733-*bis* of Italian Criminal Code).

With reference to the **crimes under Italian Legislative Decree no. 152/2006** on “Environmental regulations”:

- Unauthorised waste management activities (Art. 256, paragraph 1, letters a) and b), paragraph 3, 5 and 6);
- Site reclamation (Art. 257, paragraph 1 and 2);
- Violation of the obligations of communication, obligatory record and form keeping (Art. 258, paragraph 4, second sentence);
- Unlawful waste trafficking (Art. 259, paragraph 1);
- Organised activities for the unlawful trafficking of waste (Art. 260, paragraph 1 and 2);
- Computer control system for the traceability of waste (Art. 260-*bis*, paragraph 6, 7, second and third sentence, and 8, first and second sentence);
- Crimes relating to emissions (Art. 279, paragraph 5);
- Criminal penalties for the disposal of industrial waste waters (Art. 137, paragraph 2, 3, 5, 11 and 13).

Italian Legislative Decree no. 152 of 03 April 2006 (known as Consolidated Environment Act) provides for the crime of “*Illegal waste combustion*” (Art. 256-*bis*), under which a criminal sanction is imposed for the conduct of:

- anyone setting fire to dumped rubbish or rubbish deposited in an uncontrolled manner;
- anyone leaving or abandoning waste, or making them the subject of cross-border traffic for their subsequent illegal combustion.

Despite not being specifically referred to under Art. 25-*undecies* of Italian Legislative Decree no. 231/2001, this rule establishes the liability of the owner (natural person) of the undertaking or of the person responsible for the organized activity due to lack of supervision and provides for the application of the disqualification sanctions under Art. 9, paragraph 2, of the Decree.

In relation to the commission of the **crimes under Italian Law no. 150/1992** *“Regulations of the crimes relating to the application in Italy of the Convention on International Trade in Endangered Species of Wild Fauna and Flora, as well as regulations on trade and keeping of live mammals and reptiles which may endanger public health and security”*:

- Import, export or re-export, sale, holding for the purposes of selling, transport etc. in violation of Regulation (EC) no. 338/97 of the Council of 9 December 1996, as subsequently amended and supplemented, as to specimens belonging to the species listed in appendix A of the aforementioned Regulation as subsequently amended (Art. 1, paragraph 1 and 2);
- Import, export or re-export of specimens, under any customs regime, without the required certificate or licence (etc.) in violation of Regulation (EC) no. 338/97 of the Council of 9 December 1996, as subsequently amended and supplemented, as to specimens belonging to the species listed in appendices B and C of the aforementioned Regulation as subsequently amended, unless the fact constitutes a more serious offence (Art. 2, paragraph 1 and 2);
- Keeping of live mammals and reptiles originating from reproductions in captivity which may endanger public health and security, except as provided by Italian Law no. 157/1992 (Art. 6, paragraph 4);
- Forgery or alteration of certificates, licences, import notifications, declarations, communications of information for the purposes of acquiring a licence or a certificate, use of forged or altered certificates or licences (crimes under Italian Criminal Code as referred to in Art. 3-bis, paragraph 1).

In relation to the commission of the **crimes under Italian Law 549/1993** *“Measures for the protection of the ozone layer and the environment”*:

- Violation of the provisions regarding the use of substances which are harmful for the ozone layer (Art. 3, paragraph 6).

In relation to the commission of the **crimes under Italian Legislative Decree no. 202/2007** *“Implementation of Directive 2005/35/EC on ship-source pollution and on the introduction of penalties”*:

- Malicious pollution (Art. 8, paragraph 1 and 2);
- Negligent pollution (Art. 9, paragraph 1 and 2).

S) Crime of use of illegally staying third country nationals (Art. 25-duodecies of the Decree)

In relation to the commission of the crime under Art. 22, paragraph 12-*bis*, of Italian Legislative Decree no. 286 of 25 July 1998:

- Fixed-term and indefinite employment (Art. 22, paragraph 12-*bis*, of Italian Legislative Decree no. 286 of 25 July 1998).

The crimes and administrative offences referred to above may lead to the administrative liability of the Organisation which has its main registered office in Italy even if committed abroad⁵.

1.3 The penalty system under the Decree

The penalties to be applied to Organisations under the Decree are: i) financial penalties, ii) disqualifications sanctions, iii) confiscation of the price or profit of the crime, iv) publication of the conviction.

The **financial penalties** apply each time the liability of the legal person is ascertained and are determined by the criminal judge through a system based on «quotas». The criminal judge establishes the amount of the financial penalties to be imposed on the Organisation within a minimum and a maximum of quotas as indicated by the legislator for each crime as well as with reference to the value to be attributed thereto.

The **disqualification sanctions** may be applied for some types of crime and for more serious cases. They may result in the prohibition from exercising company activity; the suspension and revocation of authorisations, licences or permits which relate to the commission of the offence; the ban on entering into contracts with the public administration (unless it is in order to obtain the provision of a public services); the exclusion from incentives, loans, contributions or subsidies and possible revocation of those already granted; the ban on publicising goods or services.

The disqualification sanctions are not applied (or are revoked, if already applied as a precautionary measure) if the Organisation, before the first instance proceedings are declared open, has:

⁵ Article 4 of Italian Legislative Decree no. Decree 231/2001, under the heading “*Crimes committed abroad*”, provides the following:

“1. *In the cases and conditions under articles 7, 8, 9 and 10 of Italian Criminal Code, the organisations which have their main registered office in the territory of the State are liable also in relation to crimes committed abroad, as long as the State in which the crime was committed does not take action against them.*

2. *In the cases where the law provides for the guilty party to be punished upon request of the Minister of Justice, action is taken against the organisation only if the application is filed against the latter”.*

- compensated or repaired the damage;
- eliminated the damaging or dangerous consequences of the crime (or, at least, has made any effort to do so);
- made the profit from the crime available to the Judicial Authorities for confiscation;
- eliminated the organisational deficiencies which led to the crime and adopted organisational models suitable to preventing the commission of new crimes.

The **confiscation** is the acquisition of the price or profit of the crime by the State or the acquisition of sums of money, goods or other benefits whose value is equivalent to the price or profit of the Crime: it does not cover, however, the part of the price or profit of the Crime which may be returned to the damaged party. Confiscation is always ordered when there is a conviction.

The **publication of the sentence** may be imposed when a prohibitory penalty is applied to the Organisation. The sentence is published by exhibiting notice in the municipality where the Organisation has its main registered office as well as by publication on the website of the Italian Ministry of Justice.

1.4 The model of organisation, management and control as an exemption from the liability under the Decree

The Decree provides for the company not to be subject to a penalty where it can prove that it has adopted and effectively implemented **models of organisation, management and control suitable for preventing the commission of the crimes which have occurred**, without prejudice to the personal liability of the person who has committed the crime.

The legislator, therefore, has attributed an exemption value to the models of organisation, management and control of the company which are suitable for preventing risk and are adopted and effectively implemented. In the Decree establishes also the requirements which the models must meet.

In particular:

- identifying the activities within which the crimes under the Decree may be committed;
- providing for specific protocols aimed at planning resolutions, and implementation thereof, in relation to the crimes to be prevented;

- identifying methods of management for the financial resources suitable for preventing the commission of crimes;
- establishing obligations of information to the Body in charge of supervising the functioning of and compliance with the models;
- introducing a disciplinary system which is suitable for penalising any non compliance with the measures indicated in the Model.

If the crime is committed by parties who hold positions of representation, administration or management of the Organisation or one of the organisational units thereof which has financial and functional autonomy, as well as persons who exercise, including de facto, the management and the control thereof, the Organisation is not liable if it can prove that:

- the Governing Body adopted and effectively implemented, before the commission of the crime, a Model which is suitable for preventing crimes of the type which has occurred;
- the task of supervising the functioning of and compliance with the Model and taking care of its update has been entrusted to a Body within the Organisation which has autonomous powers of initiative and control;
- the parties have committed the crime by fraudulently evading the Model;
- there has been no lack of or insufficient supervision by the Body in relation to the Model.

If, on the other hand, the crime has been committed by parties subject to the management or supervision of one of the aforementioned parties, the legal person is liable if the commission of the crime has been made possible by the non compliance with the obligations of management and supervision. This non compliance is, in each case, excluded if the Organisation, before the commission of the crime, adopted and effectively implemented a Model which is suitable for preventing crimes of the type which has occurred.

2. The Model of Organisation, Management and Control of Eridania

2.1 Structure of the Model

This Model was adopted by resolution of the Board of Directors on 30.10.2009 and subsequently updated on 26.09.2012 and on dd/mm/yyyy.

The Model consists of a General Section and several Special Sections aimed at overseeing the risk activities as identified below.

In particular:

- **Special Section A:** Crimes against the Public Administration and the assets thereof, and the crime of incitement not to make declaration or make false declarations to the Judicial Authorities;
- **Special Section B:** Computer crimes, illegal data processing and crimes relating to copyright violations;
- **Special Section C:** Corporate crimes and self-laundering;
- **Special Section D:** Crimes of manslaughter, serious and very serious personal injury committed in violation of the regulations on health protection and safety at work;
- **Special Section E:** Crimes of organised crime and receiving of stolen goods, money laundering and use of money, goods and services of unlawful origin;
- **Special Section F:** Crimes against trade and industry;
- **Special Section G:** Environmental crimes;
- **Special Section H:** Crime of use of illegally staying third country nationals.

2.2 The objectives and aims pursued with the adoption of the Model

By adopting the Model of Organisation, Management and Control and carrying out its consequent updating, the Company aims at:

- making all those who work in the name of and on behalf of the Company aware, with particular reference to those who operate in the so-called sensitive areas, that any violations of the provisions contained in the

Model may result in offences subject to criminal penalties against them, and in “administrative” penalties which may be imposed on the Company;

- making the aforementioned parties aware that such unlawful behaviour is strongly condemned by the Company, as it is always and in every case against the provisions of the law, the culture of the Company and the ethical principles assumed as guidelines for the Company activity;
- allowing the Company to promptly intervene to prevent or oppose the commission of crimes or at least significantly reduce the damages thereof;
- improve corporate governance and image.

The preparation of this Model is based on the relevant Guidelines issued by **Confindustria** (the Italian Manufacturers' Association) as updated on 31 July 2014.

2.3 The “Recipients” of the Eridania Model

The principles and provisions of this document are intended for:

- members of the Board of Directors, the Board of Auditors and the External Auditor, where appointed;
- Employees;
- Employees of Group companies which work on behalf of Eridania and have not adopted their own organizational model for their specific reference activity;
- Consultants, Collaborators, Suppliers and Partners, to the extent that they may be involved in carrying out activities within which one of the predicated offences under the Decree are likely to be committed and have not adopted their own organizational model for their specific reference activity;
- Agents and Distributors;

as well as those who act under the management or supervision of the senior executives as part of the duties and functions assigned.

The aforementioned parties are hereinafter referred to as “Recipients”.

2.4 The preparation and update of the Eridania Model

The working activity aimed at preparing the Model and its consequent updating consists of:

- the identification of sectors/activities/sensitive areas, with reference to the crimes referred to in the Decree, through the analysis of the corporate documents made available by the Company (by way of example: articles of association, financial statements, minutes of the meetings of the corporate bodies etc.);
- the analytical examination of any sensitive areas, with prefiguration of the methods and instruments through which the Company as well as its administrative bodies, its employees and, in general, the persons mentioned in Art. 5 of the Decree may commit the crimes listed thereunder (including through meetings and interviews with the parties concerned);
- the identification of internal rules and existing protocols – whether formalised or not – referred only to the areas identified as at risk of crimes;
- the definition of standards of behaviour and control or of standards for the activities considered appropriate to regulate, in agreement with the Company;
- the regulation of the methods of management of the financial resources suitable for preventing the commission of crimes;
- the identification of the party/parties assigned to supervise the actual application of this Model (hereinafter Supervisory Body or SB) with preparation of the relevant regulation and system of reporting from/to such Supervisory Body;
- the adoption of the Code of Ethics of the Maccaferri Industrial Group as updated on 28 September 2015;
- the preparation of a disciplinary system suitable for penalising any non compliance, both with the measures indicated in the Model and with the provisions of the Code of Ethics.

2.5 The map of risk activities at Eridania

In compliance with the provisions of the Decree and with the methods outlined in the paragraph above, the Company's risk activities have been identified by taking account of Eridania's current operations and existing organisational structure.

The main activities and corporate processes which may constitute an opportunity or method for the commission of a crime under the Decree are the following:

- Management of administrative fulfilments and relative inspection activities;
- Management of disputes and relationships with the Judicial Authority;
- Management of agents, business agents and commercial partners;
- Management of the acquisitions of goods and services (including consultancy);
- Management of gifts, concessions and sponsorships;
- Staff recruitment and bonus system;
- Management of expense accounts;
- Management of financial flows;
- Management of intercompany relations;
- Bookkeeping, preparation of financial statements and declarations required for tax purposes, management of company assets;
- Management of shareholders' meetings activities and share capital transactions;
- Management of IT security;
- Management of the health and safety system;
- Management of quality processes;
- Management of activities with an environmental impact.

Based on the nature of the activities and the characteristics of the Company, risk profiles do not appear to exist in regard to the “families” of crimes indicated below.

- Crimes of counterfeiting of money, legal tender, official stamps and instruments or distinguishing market;
- Crimes for the purposes of terrorism or the subversion of democratic order;
- Crimes of practising mutilation of the female genitals;
- Crimes against the person;
- Crimes and administrative offences of market abuse.

Nonetheless, the aforementioned crimes are considered fully covered by the provisions of the Code of Ethics and by the controls established in the Model of Organisation, Management and Control of the Company.

2.6 The approval of the Eridania Model, and of amendments and supplements thereof

The Model of Organisation, Management and Control is issued by the Governing Body.

Any amendments and supplements hereof are made by the Board of Directors of Eridania, upon information provided by the Supervisory Body of the Company.

The Board of Directors of the Company resolves on the implementation of the Model, by assessing and approving the actions necessary for the implementation of its constituent elements.

The Supervisory Body is responsible for controlling the adequacy and implementation of the Model, as per following chapter.

2.7 Relations with Seci

SECI, in its capacity as the Holding Company, provides the Company with its services, which may concern risk activities and operations as per the Special Sections of this Model. These relationships are regulated by special infragroup contracts.

In particular, SECI (either directly or indirectly through internal staff and/or consultants of its choice) provides services of management assistance regarding Human Resources, Administration and Accountancy, Finance, Legal and Corporate Affairs, Information Technology, Management Reporting and Indirect Acquisitions and Institutional Affairs, and Communication.

The services:

- are provided in compliance with the provisions of the Code of Ethics and of the Model as adopted by SECI;
- must be regulated by a special written contract sent to the Supervisory Body of SECI.

The infragroup service contract includes:

- the obligation for the Company to attest the accuracy and completeness of the documentation or the information communicated to SECI, for the purposes of the performance of the services requested;
- the power of the Supervisory Body of SECI to request information from the Supervisory Body of the Company, in order to correctly carry out its duties in relation to the performance of the services requested by SECI;
- the power of the Supervisory Body of the Company to request information from the Supervisory Body of SECI, or – following information to the latter – the functions of SECI, for the purposes of the correct performance of the supervision.

Should the Company require SECI to comply with new rules or rules which are different from those stated in this Model, SECI shall comply with these new rules only after having requested and obtained a favourable opinion from the Supervisory Body regarding the suitability of these rules for preventing the crimes and administrative offences under the Decree.

3. The Supervisory Body

3.1 General principles

A necessary condition for the purposes of exemption from administrative liability is the establishment of a Supervisory Body (hereinafter also “Body” or “SB”) with autonomous powers of initiative and control aimed at ensuring effective and efficient implementation of the Model.

3.2 Requirements of the Supervisory Body

In addition to autonomous powers, the Guidelines of the trade associations and the court judgements on the subject have also indicated the requirements of professionalism and continuity of action as necessary, as better specified below.

Autonomy and Independence: the Body must remain uninvolved in any form of interference and pressure from senior executives or in any operational activities and managerial decisions. The SB must not be in conflict of interests and no operating duties, which may undermine its autonomy, must not be attributed either to the Body as a whole or to its individual members.

The requirement of autonomy and independence must also be considered as the absence of family ties and restrictions of hierarchical dependence with the senior executives of the Company or with persons having operational powers within it.

The Supervisory Body must report to the most senior company executive and be able to converse with him “on an equal level” being in a “staff” position with the Board of Directors.

Professionalism: that is possession of all the instruments and techniques necessary for the solid and effective performance of the assigned activity. The professionalism and authority of the Body are then connected to its professional experience. In this sense, the Company considers it of particular importance the careful examination of the *curricula vitae* and previous experience of possible candidates, favouring candidates who have accrued specific professionalism in the area.

Continuity of action: within a medium to large company it implies the presence of a department exclusively dedicated to the activity of

supervision/updating of the Model and which does not have any operational tasks.

Integrity: with reference to any possible causes of ineligibility, revocation, suspension; in appointing the members of the Supervisory Body, the Board of Directors of the Company has expressly established the following causes of **ineligibility** for the members of the SB.

In compliance with the requirements under the Decree, the Company has opted to choose a Body in the form of a board.

In this case, a member thereof may be an employee of the Company or of the Maccaferri Group.

3.3 Causes of ineligibility, revocation, suspension and cessation of office

In appointing the members of the Supervisory Body, the Board of Directors of the Company has expressly established the following causes of **ineligibility** for the members of the SB.

Therefore the following may not be elected:

- those who have been convicted with sentence, even if not yet definitive, or with sentence for which the punishment is to be applied on request (the so-called plea-bargaining), also if with a suspended sentence and taking into consideration the effects of rehabilitation, to the following:
 1. imprisonment for a period of not less than one year for one of the crimes under Italian Royal Decree no. 267 of 16 March 1942;
 2. imprisonment for a period of not less than one year for one of the crimes under the regulations governing banking, financial, stock, and insurance activities and under the regulations regarding markets, stocks and payment instruments;
 3. imprisonment for a period of not less than one year for a crime against public administration, public faith, assets, and public economy, or for a crime relating to tax;
 4. for any crime committed with criminal intent punishable by imprisonment for a period of not less than two years;
 5. for one of the crimes under Title XI of book V of Italian Civil Code as reformulated by Italian Legislative Decree no. 61 of 11 April 2002;

6. for a crime which leads to and has led to a conviction punishable by prohibition, including temporary, from public offices, or the temporary prohibition from executive offices of legal persons and companies;
7. for one or more crimes specifically provided for by the Decree, even if with convictions with lower sanctions than those indicated above;
 - anyone against whom one of the prevention measures under Art. 10, paragraph 3, of Italian law no. 575 of 31 May 1965, as replaced by Art. 3 of Italian Law no. 55 of 19 March 1990 as subsequently amended, has been applied definitively;
 - anyone against whom the accessory administrative penalties under Art. 187-*quater* of Italian Legislative Decree no. 58 of 24 February 1998 have been applied.

The members of the Supervisory Body must self-certify, with a sworn statement, that they are not in any of the aforementioned conditions and expressly undertake to communicate any changes regarding the contents of such statements.

Any revocation of the members of the Body must be resolved by the Board of Directors of the Company and may only be decided for reasons connected to serious breaches of the mandate assumed, including violations of the confidentiality obligations herein indicated, as well as upon occurrence of the causes for cessation of office herein specified.

The members of the Supervisory Body also **cease office** if , following their appointment, they:

- are convicted with a definitive or plea-bargaining sentence for one of the crimes indicated in numbers 1, 2, 3, 4, 5, 6 and 7 of the aforementioned conditions of ineligibility;
- violate the confidentiality obligations strictly connected to the performance of their office.

Moreover, the members of the SB are suspended from exercising their functions in the cases of:

- conviction with a non definitive sentence for one of the crimes indicated in numbers 1 to 7 of the aforementioned conditions of ineligibility;

- application, upon request of the parties, of one of the punishments under numbers 1 to 7 of the aforementioned conditions of ineligibility;
- application of a personal precautionary measure;
- temporary application of one of the prevention measures under Art. 10, paragraph 3, of Italian Law no. 575 of 31 May 1965, as replaced by Art. 3 of Italian Law no. 55 of 19 March 1990, as subsequently amended.

The SB remains in office for three years and may be re-elected. The remuneration of the SB is determined by the BoD at the time of appointment for the entire period of duration in office.

3.4 Duties of the Supervisory Body

In order to perform its duties the Supervisory Body is assigned an annual *expense budget* by the Board of Directors. However, the Supervisory Body may autonomously use resources exceeding its spending powers, if their use is necessary in order to deal with exceptional and urgent situations. In these cases, the Body must promptly inform the Board of Directors accordingly.

For the performance of its duties, the Supervisory Body makes use of all corporate functions.

The Supervisory Body carries out the following activities:

- supervision on the effectiveness of the Model, by checking in particular the consistency between the Model and the rules actually adopted in the risk areas;
- periodic checking of the compliance of all individual corporate units/risk areas with the Model, in order to ascertain that the defined rules and the provided controls are followed as faithfully as possible and are actually suitable for preventing the risks of commission of the relevant crimes;
- supervision to make sure that the Code of Ethics and all the provisions contained therein are complied with by all parties operating for any purpose in the Company;
- reporting to the Board of Directors about any updates and adjustments of the Model in compliance with the evolution of law and case law, in addition to as a result of changes occurring to the Company organisation;

- supervision of the correct performance of control activities for each risk area, by promptly reporting any anomalies and inefficiencies of the Model, after discussion with the areas/functions concerned;
- check of the actual dissemination of the Model among the Recipients;
- assessment and proposal of disciplinary penalties, following the necessary coordination with the managers of the company functions/areas concerned.

The Supervisory Body meets at least quarterly, unless urgent and special cases.

3.5 The reporting activity of the Supervisory Body

In order to guarantee full autonomy and independence in the performance of its functions, the Supervisory Body reports directly to the Board of Directors of the Company on the implementation of the Model and the occurrence of any critical aspects through a line of reporting on a **six-monthly basis** (31 July and 31 January of each year), through a written report which must promptly indicate the activity carried out in the six-month period, both in terms of checks made and the results obtained as well as in relation to any needs to update the Model.

Moreover, the SB must annually prepare a plan of action for the following year, in which the activities to be carried out and the areas to be checked, as well as the timings and priorities of the actions, will be identified. The Supervisory Body may, however, carry out checks on the sensitive activities of the Company even if not mentioned in the plan of action (so-called “surprise checks”), if it considers it necessary for the performance of its duties.

The SB may ask to speak with the Board of Directors or the Managing Director or, in general, with the Governing Body each time it deems it appropriate; the SB is also permitted to ask for clarification and information from the Board of Directors.

Conversely, the Supervisory Body may be convened at any time by the Board of Directors to report on particular events or situations relating to the functioning of and compliance with the Model.

The aforementioned meetings must have minutes taken, a copy thereof to be kept by the SB (as well as by the bodies involved from time to time).

3.6 Obligations of providing information to the Body

The SB is a recipient of any information, documentation and/or communication, originating also from third parties, which relate to compliance with the Model.

All Recipients of this Model have an obligation to provide information to the Supervisory Body, to be made following:

- i) **reports;**
- ii) **information.**

The Supervisory Body ensures **maximum confidentiality** in regard to any news, information, report, **under penalty of revocation of the mandate and of the disciplinary measures herein defined**, without prejudice to the need of investigations where the support of external consultants or other corporate departments is necessary.

All information and reports under this Model are kept by the Supervisory Body in an appropriate electronic and paper file, in compliance with the provisions of Italian Legislative Decree no. 196 of 30 June 2003 (Personal Data Protection Code): the records of the Supervisory Body must be kept at the offices of the Company and contained in separate locked cupboards, accessible only to its members and only for reasons connected to the performance of the aforementioned duties, under penalty of immediate cessation from office.

i) The reports

All Recipients are obliged to promptly notify to the Supervisory Body any derogation, violation or suspected violation, which they are aware of, of the rules of behaviour in the Code of Ethics of the Company as well as of the principles of behaviour and the operational methods of performing the activities identified as “at risk” and regulated in the Model.

The reports may be made either by post to the address:

Supervisory Body of Eridania Italia S.p.A.
Via del Triumvirato 13, Bologna, Italy

or by email to the address:

The Supervisory Body assesses all the reports received and undertakes the necessary initiatives at its reasonable discretion and responsibility, within the scope of its competences, by also listening, if necessary, to the person who made the report and the person responsible for the suspected violation. Any decision thereafter will be grounded; any consequent measures will be applied in compliance with the provisions under the chapter on the Penalty System.

The SB acts in such a way as to safeguard the people making reports against any form of retaliation, discrimination, punishment or any other consequence, ensuring them the confidentiality on their identity, without prejudice to legal obligations and the protection of the rights of Eridania or the persons accused incorrectly or in bad faith.

ii) Information

In its control activity, the SB determines the documentation which must be submitted for its attention on a periodic basis.

It is obligatory for the following to be sent to the SB:

- measures and/or disclosures originating from judicial police bodies or any other authority, from which the performance of investigations on the Company, including against unknown people, for the criminal offences under the Decree can be evinced;
- visits, inspections and assessments initiated by any competent organisations (regions, regional and local entities) and, once concluded, any discoveries and penalties imposed;
- requests for legal assistance submitted by persons within the Company, in the event of legal proceedings being brought for one of the crimes under the Decree;
- reports prepared by the Company departments as part of their control activity, from which critical elements emerge with regard to the rules of the Decree;
- periodically, disclosures relating to the actual implementation of the Model in all the corporate areas/functions at risk;

- periodically, disclosures relating to the actual compliance with the Code of Ethics at all Company levels;
- information on the development of the activities relating to the areas at risk;
- the system of delegations and powers of attorney adopted by the Company.

In the case of information and/or disclosures, including unofficial ones, relating to the committing of the crimes under the Decree, or in any way relating to possible violations of the Model and of the Code of Ethics, each person must contact their superior/manager who will immediately refer to the SB.

The information flows must reach the SB by the methods and at the addresses as mentioned above.

3.7 Relationships with the Supervisory Bodies of sister and the parent companies

Without prejudice of the Special Parts of this Model, the Body of Eridania meets at least annually with the Supervisory Bodies of its sister companies and of its parent company, in order to make the appropriate exchange of information and for the purposes of coordination of their supervisory and control activities.

This cooperation aims at getting a global vision of the Group's operations and related risks so as to promote, where possible, a common preventive program and corrective actions.

Moreover, the Supervisory Body of Eridania undertakes to forward its annual report to the SB of the parent company SECI.

4. Training and information for the whole staff, including senior executives

4.1 General provisions

The Company intends to guarantee correct and complete awareness of the Model, the contents of the Decree and the obligations deriving from it amongst those who work for the Company.

Training sessions will be organised over time by the Company, based on the criteria of obligation and repetition as well as any of diversification.

Training and information are managed by the Managing Director or General Manager in cooperation with the SB, in strict coordination with the managers of the areas/functions involved in the application of the Model.

4.2 Initial communication

This Model is communicated to all company staff through a special official communication from the Managing Director or the General Manager.

All the Employees and Senior Executives must sign a special form in which they acknowledge their awareness and acceptance of the Model, of which they will have a printed or electronic copy.

Upon executing the employment contract, the new Employees declare to know and accept the Model and the Code of Ethics of the Company, which may be accessed in the aforementioned ways. Any and all subsequent amendments and information concerning the Model will be communicated to company staff through the official information channels.

4.3 Staff training

The **participation in the training activities** aimed at spreading awareness of the Decree, the Model of Organisation, Management and Control, and the Code of Ethics is considered **obligatory**.

The contents and methods of provision of the training courses will take account the qualification of the Recipients, the risk level of the area in which they operate and the attribution, if any, of functions of representation within that area.

Unjustified absence from the training sessions is considered a disciplinary offence, in accordance with the Penalty System herein provided.

Eridania will arrange the implementation of training courses which , through a modular approach, will illustrate:

- the regulatory context;
- the Code of Ethics and Model of Organisation, Management and Control adopted by the Company, including the Special Sections;
- the role of the Supervisory Body and the duties assigned thereto by the Company.

The Supervisory Body will also ensure that the training programmes are of adequate quality and effectively implemented.

4.4 Information to “Third-Party Recipients”

The Company promotes knowledge of and compliance with the Model through the so-called “Third-Party Recipients”, such as Consultants, Collaborators and Agents, through the provision of specific contractual clauses.

5. Disciplinary system

5.1 General profiles

The preparation of a disciplinary system suitable for penalising any non compliance with the measures indicated in the Model is a condition required by Italian Legislative Decree no. 231/2001 for exemption from administrative liability of Organisations and to guarantee the effectiveness of the Model.

The system is aimed at penalising non compliance with the principles and obligations of behaviour stated in this Model. The imposition of disciplinary penalties for violations of the principles and rules of behaviour indicated in the Model is independent from any criminal proceedings and from any resulting judgement relevant to the commission of any unlawful behaviour under the aforementioned Legislative Decree.

The communication of the violation of the Model to the SB triggers an assessment procedure in compliance with the reference worker's NLCA; this assessment procedure is performed by the SB, in coordination with the corporate bodies in charge of imposing the disciplinary penalties, taking into account the seriousness of the behaviour, any recurrence of the non compliance or of the degree of guilt.

Therefore, through its bodies and functions specifically in charge thereof, Eridania imposes, with consistency, impartiality, and uniformity, penalties which are proportionate to the respective violations of the Model and conform with the provisions in force regarding the regulation of working relationships; the penalty measures for the various professionals are hereinafter indicated. These measures take into express consideration the possibility of growth, within a short time, of the corporate workforce and therefore also mention positions which are currently not present in Company.

5.2 Penalties for Employees other than Managers

The behaviour of Employees which is in violation of the individual behavioural rules outlined in this Model, in the Code of Ethics, in the rules and in the company protocols as adopted by the Company are defined as disciplinary offences.

The penalties which may be imposed on the Employees are adopted in compliance with the procedures provided for in the applicable regulations.

Express reference is made to the categories of punishable acts contained in the existing penalty system, namely the rules established in the **Italian National Collective Labour Agreement for Employees of Industrial Food Companies** (hereinafter NCLA).

In application of the principle of proportionality, the following disciplinary penalties are envisaged depending on the seriousness of the infringement committed:

Verbal warning: it applies in the case of the least serious non compliances with the principles and rules of behaviour under this Model, the said behaviour being a **slight non compliance** with the contractual rules or the directives and instructions given by management or superiors.

Written warning: it applies in the case of non compliance with the principles and rules of behaviour under this Model, for behaviour which is **non compliant or inadequate** to an extent which may not be considered slight and is, however, not serious, the said behaviour being a non serious non compliance with the contractual rules or the directives and instructions given by management or superiors;

Fine not exceeding 4 hours' wage calculated on basic wages: it applies in the case of non compliance with the principles and rules of behaviour under this Model, for **behaviour non compliant or inadequate** as to the requirements of the Model to an extent which may be considered of a certain degree of seriousness, also if it depends from recurrent behaviour. This includes any violation of the obligations of information to the Body in relation to the commission of crimes, even if attempted, as well as any violation of the Model. The same penalty will be applied in the case of repeated non participation (physical or in whatever way requested by the Company), without justified grounds, in the training sessions which will be provided over time by the Company relating to Italian Legislative Decree no. 231/2001, to the Model of Organisation, Management and Control and the Code of Ethics adopted by the Company or with reference to related subjects.

Suspension from work without pay up to a maximum of 10 days: it applies in the case of more serious violations than the infringements mentioned in the previous point.

Disciplinary dismissal without notice: it applies in the case of serious and/or repeated violation of the rules of behaviour and the provisions contained in the Model, which are not against any legal regulations and contractual provisions.

5.3 Penalties for Managers

The violation of the principles and of the rules of behaviour contained in this Model by managers, or the adoption of **behaviour which does not comply** with the referred requirements will be subject to disciplinary measures depending on the seriousness of the violation committed. For the more serious cases the termination of the working relationship is envisaged, in consideration of the special relationship of trust which links the manager to the employer.

The following also constitute a disciplinary offence:

- **non supervision** by the management staff of the correct application, by the hierarchically subordinates, of the rules under the Model;
- the violation of the obligations to provide information to the Supervisory Body in relation to the commission of significant crimes, even if attempted;
- the violation of the rules of behaviour contained therein by the managers themselves;
- any conduct which does not comply with the behaviour reasonably expected from managers in the performance of their respective tasks, in relation to the position held and the level of autonomy recognised.

5.4 Penalties for Directors and Auditors

To the Directors who have committed a violation of this Model, the Board of Directors, promptly informed by the SB, may apply all suitable measures permitted by Italian law, including the following penalties, determined depending on the seriousness of the violation and guilt, as well as the resulting consequences:

- formal written warning;
- financial penalty equal to the **between two and five times** the salary calculated on a monthly basis;
- total or partial revocation of any powers of attorney.

In case of violations which constitute a just cause for revocation, the Board of Directors proposes to the Shareholders' Meeting the adoption of the measures

for which it is responsible and carries out the further duties as stated by Italian law.

In case of violation by a member of the Board of Auditors, the Supervisory Body must immediately inform the Chairman of the Board of Directors in a written report. In case of violations which constitute a just cause for revocation, the Chairman of the Board of Directors forwards the report of the Supervisory Body to the shareholders and then convenes the Shareholders' Meeting. The adoption of the measure resulting from the aforementioned violation is however the responsibility of the Shareholders' Meeting.

5.5 Penalties for non Employees

Any violation of the requirements under the Model by Consultants, Collaborators, Suppliers, Partners and those who are at various times included as "Recipients" thereof is penalised by the competent bodies based on the internal company rules, according to the contractual clauses of the relevant contracts and, in any case, with the application of conventional penalties, which may also include the automatic termination of the contract (pursuant to Art. 1456 of Italian Civil Code), without prejudice to the compensation for damages.