



# **ROSA ERMANDO S.P.A.**

**MODEL OF ORGANIZATION,  
MANAGEMENT AND CONTROL IN ACCORDANCE WITH  
LEGISLATIVE DECREE NO. 231 OF JUNE 8, 2001.**

## **Revision History**

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<b>Rev.</b>	<b>Date</b>	<b>Nature of the change</b>
00	04.02.2025	First adoption of the Organization, Management and Control Model

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**MODEL OF ORGANIZATION,  
MANAGEMENT AND CONTROL IN ACCORDANCE WITH LEGISLATIVE DECREE  
JUNE 8, 2001, NO. 231**

**- GENERAL PART -**

## GENERAL PART.

### 1. DESCRIPTION OF THE REGULATORY FRAMEWORK

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#### 1.1 Introduction

With Legislative Decree No. 231 of June 8, 2001 (hereinafter, "**Legislative Decree 231/2001**" or "**Decree**"), issued in implementation of the delegation conferred on the Government by Article 11 of Law No. 300 and setting forth the regulation of the "*Liability of entities for administrative offenses dependent on crime*," was intended to bring the Italian legislation on the liability of legal persons into line with the international Conventions signed by Italy and, in particular, (i) the Brussels Convention of July 26, 1995 on the protection of the financial interests of the European Community, (ii) the Brussels Convention of May 26, 1997 on combating bribery of public officials of both the European Community and individual Member States, and (iii) the OECD Convention of December 17, 1997 on combating bribery foreign public officials in economic and international transactions.

These regulations apply to entities provided with legal personality, companies and associations, including those without legal personality, while the stateterritorial public entities, noneconomic public entities, and entities performing functions of constitutional importance are excluded from the regulatory provision under consideration.

According to the regulations introduced by Legislative Decree 231/2001, in fact, companies can be held "liable" for certain crimes committed or attempted, in the interest or to the advantage of the companies themselves, by members of the company's top management (so-called "top" or simply "apical" individuals) and those are subject to their direction or supervision (Art. 5, paragraph 1, Legislative Decree 231/2001).

The administrative liability of corporations is independent of the criminal liability of the natural person who committed the crime and stands alongside latter.

This broadening of liability aims, in essence, to involve in the punishment of certain crimes the assets companies and, ultimately, the economic interests of shareholders, who, until the enactment of Legislative Decree 231/2001, did not suffer direct consequences from the commission of crimes committed in the interest or the benefit of their company.

Administrative liability is, however, excluded if the company has adopted and effectively implemented, prior to the commission of the crimes, an Organization, Management and Control Model suitable for preventing crimes of the same kind as the one that occurred.

## 1.2 Perpetrators of the crime: individuals in top positions and individuals under the direction of others

As anticipated above, according to Legislative Decree No. 231/2001, the entity is liable for crimes committed in its interest or to its advantage:

- 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 by persons who exercise, even de facto, the management and control of the entity itself"* (Art. 5, paragraph 1, lett. a), Legislative Decree No. 231/2001, the "**Apical Subjects**";  
and/or
- by persons subject to the management or supervision of one of the apical persons (Article 5, paragraph 1, letter b), Legislative Decree No. 231/2001, the "**Subordinates**").

In this regard, it is worth noting that it is not necessary for Subordinates to have a subordinate working relationship with the Entity, since this notion should also include *"those workers who, although not "employees" of the Entity, have a relationship with it such as to suggest the existence of an obligation of supervision on the part of the top management of the Entity itself: for example, partners in joint-venture operations, the so-called parasubordinate employees in general, distributors, suppliers, consultants, collaborators, etc."*(1).d. *parasubordinates in general, distributors, suppliers, consultants, collaborators*"<sup>1</sup>.

It is, moreover, appropriate to reiterate that **the entity is not liable, by express legislative provision, if the above-mentioned persons have acted exclusively in their own interest or in the interest of third parties** (Article 5, paragraph 2, Legislative Decree No. 231/2001): the norm stigmatizes the case of "breaking" the scheme of organic identification, that is, it refers to the hypotheses in which the natural person's crime is in no way ascribable to the entity because it is not carried out even in part in the interest of the entity.

## 1.3 Offenses under Legislative Decree 231/2001

The entity can only be held liable for the commission of the crimes expressly provided for:

- In Articles 24 to 25 *duodevices* Legislative Decree 231/2001;
- by Art. 10 L. 146/2006 on the subject of "Transnational Crimes."
- by Article 12 L. 9/2013 on the subject of "Fraud in Agriculture."
- by Article 187-quinquies TUF on the subject of Other cases of market abuse<sup>2</sup>;

<sup>1</sup> Thus verbatim: Assonime Circular, dated November 19, 2002, No. 68.

<sup>2</sup> **Article 187-quinquies TUF** provides for the offenses of Prohibition of Insider Trading and Unlawful Disclosure of Inside Information (Article 14 EU Reg. No. 596/2014) and Prohibition Market Manipulation (Article 15 EU Reg. No. 596/2014)

The offenses referred to in Legislative Decree 231/2001 can be included in the following categories for ease of exposition:

- crimes in relations with the Public Administration, see **Articles 24 and 25 of Legislative Decree 231/2001**<sup>3</sup>;
- Computer crimes and unlawful data processing, see **Article 24-bis of Legislative Decree 231/2001**<sup>4</sup>;
- organized crime offenses, see **Art. 24-ter Legislative Decree 231/2001**<sup>5</sup>;
- Crimes against public faith, see **Art. 25-bis Legislative Decree 231/2001**<sup>6</sup>;

<sup>3</sup> **Article 24** of Legislative Decree 231/2001 was amended by Law 161/2017, Legislative Decree 75/2020 implementing the so-called P.I.F. Directive, by L.D. 105/2023 and includes the following crimes: 1) embezzlement to the detriment of the State (Article 316-bis of the Criminal Code); 2) undue receipt of disbursements to the detriment of the State (Article 316-ter of the Criminal Code); 3) disturbance of freedom of tenders (Article 353 c.p.); 4) disruption of freedom of the procedure for choosing a contractor (art. 353bis c.p.); 5) fraud to the detriment of the State or other public entity or the European Communities (art. 640, para. 2, no. 1, c.p.); 6) aggravated fraud obtain public funds (art. 640-bis c.p.); 7) computer fraud to the detriment of the State or other public body (art. 640-ter c.p.); 8) fraud in public supplies (art. 356 c.p.); 9) fraud to the detriment of the European Agricultural Fund (art. 2. L. 23/12/1986, n.898).

**Art. 25** Legislative Decree 231/2001 was amended by Law 190/2012, Law 3/2019, Legislative Decree 75/2020 and Law Decree 92/2024 and includes the following crimes: 1) extortion (Art. 317 of the Criminal Code), which now provides - as the active subject of the crime - also the Person in Charge of a Public Service in addition to the Public Official; bribery for the exercise of a function (Art. 318 of the Criminal Code); 2) bribery for an act contrary to official duties (art. 319 of the Criminal Code); 3) aggravating circumstances (art. 319-bis of the Criminal Code); 4) bribery in judicial acts (art. 319-ter of the Criminal Code); 5) undue inducement to give or promise benefits (art. 319-quater of the Criminal Code); 6) bribery of a person in charge of a public service (art. 320 of the Criminal Code); 7) penalties for the briber (art. 321 of the Criminal Code); 8) incitement to bribery (art. 322 of the Criminal Code); 9) embezzlement, extortion, undue inducement to give or promise benefits, bribery and incitement to bribery of members of international courts or bodies of the European Communities or international parliamentary assemblies or international organizations and officials of the European Communities and foreign states (art. 322-bis of the Criminal Code); 10) trafficking in unlawful influence (art. 346-bis of the Criminal Code); 11) embezzlement (limited to the first paragraph, art. 314 of the Criminal Code); 12) embezzlement by profiting from the error of others (art. 316 the Criminal Code); 13) misappropriation of money or movable property (art. 314-bis of the Criminal Code).

<sup>4</sup> **Article 24-bis** Legislative Decree 231/2001 was added by Law 48/2008 and subsequently amended by Legislative Decrees 7 and 8/2016, Legislative Decree 105/2019, and Law 90/2024 and includes the following crimes: 1) computer documents (Article 491-bis of the Criminal Code); 2) abusive access to a computer or telematic system (Article 615-ter c.p.); 3) unlawful possession and dissemination of access codes to computer or telematic systems (art. 615-quater c.p.); 4) unlawful interception, obstruction or interruption of computer or telematic communications (art. 617-quater c.p.); 5) unlawful possession, dissemination and installation of equipment and other means intercepting, impeding or interrupting computer or telematic communications (art. 617-quinquies of the Criminal Code); 6) damaging computer information, data and programs (art. 635-bis of the Criminal Code); 7) damaging computer information, data and programs used by the State or other public body or otherwise of public utility (art. 635-ter c.p.); 8) damaging computer or telematic systems (art. 635-quater c.p.); 9) possession, dissemination and abusive installation of equipment, devices or computer programs aimed at damaging or interrupting a computer or telematic system (art. 635-quater.1 c.p.); 10) damaging computer or telematic systems of public interest (art. 635-quinquies c.p.); 11) computer fraud of the electronic signature certifier (art. 640-quinquies c.p.); 12) violation of the rules on the Perimeter of National Cybersecurity (art. 1, paragraph 11, Decree Law No. 105 of September 21, 2019); 13) extortion through computer systems (art. 629, paragraph 3, c.p.)

<sup>5</sup> **Article 24-ter** of Legislative Decree 231/2001 was added by Law 94/2009 and amended by Law 69/2015 and includes the following crimes: 1) criminal conspiracy (Article 416 of the Criminal Code); 2) mafia-type , including foreigners (Article 416-bis of the Criminal Code); 3) political-mafia electoral exchange (Article 416-ter c.p.); 4) kidnapping for the purpose of extortion (art. 630 c.p.); 5) association for the purpose of illicit trafficking in narcotic drugs or psychotropic substances (art. 74 Presidential Decree Oct. 9, 1990, No. 309); 6) all crimes if committed by availing oneself of the conditions provided for in art. 416-bis c.p. to facilitate the activities of the associations provided for in the same article (L. 203/91); 7) illegal manufacture, introduction into the State, offering for sale, transfer, possession and carrying in a public place or a place open to the public of weapons of war or war-like weapons or parts of them, explosives, clandestine weapons as well as more common firearms excluding those provided for Article 2, paragraph 3, of Law April 18, 1975, No. 110 (art. 407, para. 2, lett. a), number 5), Criminal Code).

<sup>6</sup> **Article 25-bis** Legislative Decree 231/2001 was added by Legislative Decree 350/2001, subsequently converted with amendments by Law 409/2001 and amended by Law 99/2009 and Legislative Decree 125/2016. It encompasses the following crimes: 1) use of counterfeit or altered revenue stamps (Article 464 of the Criminal Code); 2) counterfeiting of money, spending and introduction into the State, in concert, of counterfeit money (Article 453 of the Criminal Code); 3) alteration of money (art. 454 of the Criminal Code); 4) introduction into the State and trade of products with false signs (art. 474 of the Criminal Code); 5) spending and introduction into the State, without concert, of counterfeit money (art. 455 of the Criminal Code); 6) spending of counterfeit money received in good faith (art. 457 of the Criminal Code); 7) counterfeiting of revenue stamps, introduction into the State, purchase, possession or putting into circulation of

counterfeit revenue stamps (art. 459 of the Criminal Code); 8) manufacture or possession of watermarks or instruments intended for the counterfeiting of money, revenue stamps or watermarked paper (art. 461 of the Criminal Code); 9) counterfeiting watermarked paper in use for the manufacture of public credit cards or revenue stamps (art. 460 the Criminal Code); 10) counterfeiting, alteration or use trademarks or distinctive signs or patents, models and designs (art. 473 of the Criminal Code).

- Crimes industry and trade, see **Article 25-bis.1 Legislative Decree 231/2001**<sup>7</sup>;
- Corporate crimes, see **25-ter Legislative Decree 231/2001**<sup>8</sup>;
- crimes related to terrorism and subversion democratic order, see **Art. 25-quater Legislative Decree 231/2001**<sup>9</sup>;
- crimes against the individual, see **Art. 25-quater.1 and Art. 25-quinquies Legislative Decree 231/2001**<sup>10</sup>;
- Market abuse crimes, see **Article 25-sexies of Legislative Decree 231/2001**<sup>11</sup>;
- Occupational health and safety crimes, see **Article 25-septies of Legislative Decree 231/2001**<sup>12</sup>;

<sup>7</sup> **Article 25-bis.1** Legislative Decree 231/2001 was added by Law 99/2009 and includes the following crimes: 1) disturbance freedom of industry or trade (Art. 513 of the Criminal Code); 2) unlawful competition with threats or violence (Art. 513-bis of the Criminal Code); 3) fraud against national industries (Art. 514 of the Criminal Code); 4) fraud in the exercise of trade (Art. 515 of the Criminal Code.); 5) sale of food substances that are not genuine as genuine (Article 516 of the Criminal Code); 6) sale of industrial products with mendacious signs (Article 517 of the Criminal Code); 7) manufacture and trade of goods made by usurping industrial property titles (Article 517-ter of the Criminal Code); 8) counterfeiting of geographical indications or designations of origin of agri-food products (Article 517-quater of the Criminal Code).

<sup>8</sup> **Article 25-ter** Legislative Decree 231/2001 was added by Legislative Decree 61/2002 and amended by Law 190/2012, Law 69/2015, Legislative Decree 38/2017 and Legislative Decree 19/2023 and includes the following crimes: 1) false corporate communications (art. 2621 c.c.); 2) minor facts (art. 2621-bis c.c.); 3) false corporate communications of listed companies (art. 2622 c.c.); 4) impeded control (art. 2625, paragraph 2, c.c.); 5) undue return of contributions (art. 2626 civil code); 6) illegal distribution of profits and reserves (art. 2627 civil code); 7) unlawful transactions on shares or quotas of the company or the parent company (art. 2628 civil code); 8) transactions to the detriment of creditors (art. 2629 civil code); 9) failure to disclose conflict interest (art. 2629-bis civil code); 10) fictitious capital formation (art. 2632 civil code); 11) undue distribution of corporate assets by liquidators (art. 2633 civil code); 12) bribery among private individuals (art. 2635 civil code, introduced into the Decree by Law No. 190 of November 6, 2012.); 13) incitement to bribery among private individuals (art. 2635-bis); 14) unlawful influence on the shareholders' meeting (art. 2636 civil code); 15) market rigging (art. 2637 civil code); 16) obstruction of the exercise of the functions of public supervisory authorities (art. 2638, paragraphs 1 and 2, c.c.); 17) crime of false or omitted statements for the issuance of the preliminary certificate provided for in the implementing legislation of Directive (EU) 2919/2121 of the European Parliament and of the Council of November 27, 2019.

<sup>9</sup> **Article 25-quater** Legislative Decree 231/2001 was added by Law 7/2003 and includes the following crimes of: 1) subversive associations (Article 270 of the Criminal Code); 2) associations for the purpose of terrorism, including international terrorism or subversion of the democratic order (Article 270-bis of the Criminal Code); 3) aggravating and mitigating circumstances (Art. 270-bis.1 of the Criminal Code); 4) assisting associates (Art. 270-ter of the Criminal Code); 5) enlisting for the purpose of terrorism, including international terrorism (Art. 270-quater of the Criminal Code); 6) organizing transfers for the purpose of terrorism (Art. 270-quater.1); 7) training for activities for the purpose of terrorism, including international terrorism (art. 270-quinquies c.p.); 8) financing of conduct for the purpose of terrorism (L. 153/2016, art. 270-quinquies.1 c.p.); 9) embezzlement of seized property or money (art. 270-quinquies.2 c.p.); 10) conduct for the purpose of terrorism (art. 270-sexies c.p.); 11) attack for the purpose of terrorism or subversion (art. 280 c.p.); 12) acts of terrorism with deadly or explosive devices (art. 280-bis c.p.); 13) acts of nuclear terrorism (art. 280-ter c.p.); 14) kidnapping for the purpose of terrorism or subversion (Art. 289-bis of the Criminal Code); 15) kidnapping for the purpose of coercion (Art. 289-ter of the Criminal Code); 16) incitement to commit any of the crimes provided for in Chapters One and Two (Art. 302 of the Criminal Code); 17) political conspiracy by agreement (Art. 304 of the Criminal Code.p.); 18) political conspiracy by association (art. 305 c.p.); 19) armed gang: formation and participation (art. 306 c.p.); 20) assistance to participants in conspiracy or armed gang (art. 307 c.p.); 21) seizure, hijacking and destruction of an aircraft (L. 342/1976, art. 1); 22) damage to ground facilities (L. 342/1976, Art. 2); penalties (L. 422/1989, Art. 3); 23) industrious repentance (L.D. 625/1979, Art. 5); 24) crimes committed in violation of provisions of Art. 2 of the New York Convention of December 9, 1999.

<sup>10</sup> **Article 25-quater.1** Legislative Decree 231/2001 was added by Law 7/2006 and includes the crime of female genital mutilation practices (Article 583-bis of the Criminal Code).

**Article 25-quinquies** Legislative Decree 231/2001 was added by Law 228/2003 and amended by Law 199/2016 and includes the crimes of: 1) reduction or maintenance in slavery or servitude (Article 600 of the Criminal Code); 2) child prostitution (Article 600-bis of the Criminal Code); 3) child pornography (Article 600-ter of the Criminal Code); 4) possession of pornographic material (Article 600-quater); 5) virtual pornography (Article 600-quater.1 c.p.); 6) tourist initiatives aimed at the exploitation of child prostitution (art. 600-quinquies c.p.); 7) trafficking in persons (art. 601 c.p.); 8) purchase and sale of slaves (art. 602 c.p.); 9) illegal brokering and exploitation of labor (art. 603-bis c.p.); 10) solicitation of minors (art. 609-undecies c.p.).

<sup>11</sup> **Art. 25-sexies** Legislative Decree 231/2001 was added by Law 62/2005 and deals with the crimes of: market manipulation



(Art. 185 Legislative Decree 58/1998); abuse of insider information (Art. 184 Legislative Decree 58/1998).

<sup>12</sup> Law No. 123 of August 2007, with the amendments indicated in Art. 300 Legislative Decree 81/2008, introduced among the crimes included in Legislative Decree 231/2001, in **Art. 25-septies** manslaughter or serious or very serious culpable injury with violation of the regulations on the protection of Occupational Health and Safety, also resulting from the failure to provide occupational health and safety safeguards.

- Crimes of receiving stolen goods, money laundering, use of money, goods or benefits of illicit origin, as well as self-money laundering, see **Article 25-octies of Legislative Decree 231/2001**<sup>13</sup>;
- Crimes relating to non-cash payment instruments and fraudulent transfer of values, see **Article 25-octies.1 Legislative Decree 231/2001**<sup>14</sup>;
- Copyright infringement offenses, see **Art. 25-nonies Legislative Decree 231/2001**<sup>15</sup>;
- Crime of inducement not to make statements or to make false statements to the Judicial Authority, see **Article 25-decies Legislative Decree 231/2001**<sup>16</sup>;
- Environmental crimes, see **Art. 25-undecies Legislative Decree 231/2001**<sup>17</sup>;
- Crime of employment of third-country nationals whose stay is irregular, see **Art. 25-duodecies Legislative Decree 231/2001**<sup>18</sup>;

<sup>13</sup> **Article 25-octies** Legislative Decree 231/2001 was added by Legislative Decree 231/2007, as amended by Law 186/2014. The article includes the crimes of: 1) receiving stolen goods (Art. 648 of the Criminal Code); 2) money laundering (Art. 648-bis of the Criminal Code); 3) use money, goods or utilities of unlawful origin (Art. 648-ter of the Criminal Code); 4) self laundering (Art. 648-ter.1 of the Criminal Code).

<sup>14</sup> **Article 25-octies.1** Legislative Decree 231/2001 was added by Legislative Decree 184/2021, amended by Legislative Decree 105/2023, includes the following crimes: 1) undue use and falsification of non-cash payment instruments (art. 493-ter of the Criminal Code); 2) possession and dissemination of computer equipment, devices or programs aimed committing crimes regarding non-cash payment instruments (art. 493-quater of the Criminal Code); 3) computer fraud aggravated by the realization of a transfer of money, monetary value or virtual currency (Art. 640-ter of the Criminal Code); 4) fraudulent transfer of valuables (Art. 512-bis of the Criminal Code).

<sup>15</sup> **Article 25-novies** was added by L. 99/2009 and includes the following crimes: 1) making available to the public, in a system of telematic networks, through connections of any kind, a protected intellectual work, or part of it (art. 171, L. 633/1941 paragraph 1 letter a-bis); 2) crimes referred to in the previous point committed on others' works not intended for publication if their honor or reputation is offended (art. 171, L. 633/1941 paragraph 3); 3) abusive duplication, for profit, of computer programs; import, distribution, sale or possession for commercial or entrepreneurial purposes or leasing of programs contained in media not marked by the SIAE; preparation of means to remove or circumvent the protection devices of computer programs (art. 171-bis L. 633/1941 paragraph 1); 4) reproduction, transfer to another medium, distribution, communication, presentation or demonstration in public, of the contents of a database; extraction or reuse of the database, distribution, sale or lease of databases (art. 171-bis L. 633/1941 paragraph 2); 5) abusive duplication, reproduction, transmission or dissemination in public by any process, in whole or in part, intellectual works intended for the television, film, sale or rental circuit of records, tapes or similar media or any other media containing phonograms or videograms of musical, cinematographic or audiovisual works assimilated or sequences of moving images; literary, dramatic, scientific or didactic, musical or dramatic-musical, multimedia works, even if included in collective or composite works or ; reproduction, duplication, transmission or abusive dissemination, sale or trade, transfer for any reason or abusive importation of more than fifty copies or specimens of works protected by copyright and related rights; placing in a system of telematic networks, through connections of any kind, of an intellectual work protected by copyright, or part of it (art. 171-ter L. 633/1941); 6) failure to notify the SIAE of the identification data of the media not subject to marking or false declaration (art. 171-septies L. 633/1941); 7) fraudulent production, sale, importation, promotion, installation, modification, use for public and private use of equipment or parts of equipment suitable for decoding audiovisual transmissions with conditional access made over the air, by satellite, by cable, in both analog and digital form (art. 171-octies L. 633/1941).

<sup>16</sup> **Article 25-decies** was inserted by Law 116/2009, which introduced into the provisions Legislative Decree 231/2001 Article 377-bis of the Criminal Code headed "Inducement not to make statements or to make false statements to the judicial authorities."

<sup>17</sup> Legislative Decree 121/2011 "Implementation of Directive 2008/99/EC on the protection of the environment through criminal law, as well as Directive 2009/123/EC amending Directive 2005/35/EC on ship-source pollution and on the introduction penalties for infringements" introduced, among the predicate offenses referred to in Legislative Decree 231/2001, in **Art. 25-undecies** the environmental crimes (for convenience of exposition they can be summarized in the following categories: water discharges, waste, pollution of soil, subsoil, surface water, groundwater, waste analysis, atmospheric emissions, use of ozone-depleting substances, pollution caused by ships, trade in protected animal and plant species, habitat damage). Law 68/2015

supplemented Art. 25-undecies, introducing additional environmental predicate offenses, the so-called ecorelates: 452-bis c.p. (Environmental pollution), 452-quater c.p. (Environmental disaster); 452-quinquies (Culpable crimes against environment), 452-octies c.p. (aggravating circumstances), 452-sexies (trafficking and abandonment highly radioactive waste). Legislative Decree No. 21/2018 further Article 25-undecies by introducing the crime of Organized Activities for the Illegal Trafficking of Waste (Article 452-quaterdecies of the Criminal Code).

<sup>18</sup> **Article 25-duodecies** was added by Legislative Decree 109/2012 and amended by Law 161/2017, includes the crimes of: 1) provisions against illegal immigration (Article 12, paragraph 3, 3-bis, 3-ter and paragraph 5, Legislative Decree 286/1998); 2) employment of third-country nationals whose stay is irregular (Article 22, paragraph 12-bis, Legislative Decree 286/1998).

- crime of racism and xenophobia, see **Art. 25-terdecies Legislative Decree 231/2001** <sup>19</sup>;
- the crime fraud in sports competitions, abusive gaming or betting and gambling exercised by means prohibited devices, see **Article 25 quaterdecies Legislative Decree 231/2001**<sup>20</sup>;
- tax crimes, see **Art. 25 quinquiesdecies Legislative Decree 231/2001**<sup>21</sup>;
- Crime of smuggling, see **Art. 25 sexiesdecies Legislative Decree 231/2001**<sup>22</sup>;
- Crimes against cultural heritage, see **Art. 25 septiesdecies Legislative Decree 231/2001**<sup>23</sup>;
- laundering of cultural property and devastation and looting of cultural and scenic property, cf. **Article 25 duodevicies Legislative Decree 231/2001**<sup>24</sup>;
- Transnational crimes, **Art. 10 L. 146/2006**<sup>25</sup>;

<sup>19</sup> **Article 25-terdecies** was added by Law 167/2017 and amended by Legislative Decree 21/2018 and includes the crime of propaganda and incitement to commit racial ethnic and religious discrimination (Art. 604-bis of the Criminal Code).

<sup>20</sup> **Art. 25-quaterdecies** was added by L. 39/2019 and includes the following crimes: 1) fraud in sports competitions (Art. 1, L. 401/1989); 2) abusive exercise of gambling or betting activities (Art. 4, L. 401/1989).

<sup>21</sup> **Article 25-quinquiesdecies** was added by Law 157/2019 and amended by Legislative Decree 75/2020 and includes the crimes of: 1) fraudulent declaration through the use of invoices or other documents for non-existent transactions (art. 2 Legislative Decree 74/2000); 2) fraudulent declaration through other artifices (art. 3 Legislative Decree 74/2000); 3) issuance of invoices or other documents for non-existent transactions (art. 8 Legislative Decree 74/2000); 4) concealment or destruction of accounting documents (Art. 10 L.D. 74/2000); 5) fraudulent evasion of taxes (Art. 11 L.D. 74/2000); 6) false declaration (Art. 4 L.D. 74/2000); 7) omitted declaration (Art. 5 L.D. 74/2000); 8) undue compensation (Art. 10-quater L.D. 74/2000).

<sup>22</sup> **Article 25-sexiesdecies** was added by Legislative Decree 75/2020 and amended by Legislative Decree 141/2024 and includes the crimes of: 1) smuggling by failure to declare (Art. 78 All. 1 DNC); 2) smuggling by misrepresentation (Art. 79 All. 1 DNC); 3) smuggling in the movement of goods by sea, air and border lakes (Art. 80 All. 1 DNC); 4) smuggling by wrongful use of imported goods with total or partial reduction of duties (Art. 81 All. 1 DNC); 5) smuggling in the export of goods eligible for duty drawback (Art. 82 All. 1 DNC); 6) smuggling in temporary export and special use and processing regimes (Art. 83 All. 1 DNC); 7) smuggling of manufactured tobacco (Art. 84 All.1 DNC); 8) conspiracy to smuggle manufactured tobacco (Art. 86 All. 1 DNC); 9) evasion of assessment or payment excise duty (energy products under Art. 40, manufactured tobacco under Art. 40-bis, and alcohol and alcoholic beverages under Art. 43 T.U.A.); 10) sale of manufactured tobacco products without authorization or purchase from persons not authorized to sell (ex art. 40-quinquies T.U.A.); 11) clandestine manufacture of alcohol and alcoholic beverages (ex art. 41 T.U.A.); 12) association for the purpose of clandestine manufacture of alcohol and alcoholic beverages (art. 42 T.U.A.); 13) alteration of devices, imprints and markings (art. 46 T.U.A.).

<sup>23</sup> **Article 25-septiesdecies** was added by Law 22/2022 and includes the following crimes: 1) theft of cultural property (Article 518-bis of the Criminal Code); 2) embezzlement of cultural property (Article 518-ter of the Criminal Code); 3) receiving of cultural property (Article 518-quater of the Criminal Code); 4) forgery in private writing relating to cultural property (Article 518-octies of the Criminal Code); 5) violations in the matter of alienation of cultural property (Article 518-novies of the Criminal Code); 6) illegal import of cultural property (Article 518-decies penal code); 7) illegal exit or export of cultural goods (art. 518- undecies penal code); 8) destruction, dispersion, deterioration, defacement, defacement and illegal use of cultural or landscape goods (art. 518-duodecies penal code); 9) counterfeiting of works art (art. 518-quaterdecies penal code).

<sup>24</sup> **Article 25-duodevicies** was added by L. 22/2022 and includes the following crimes: 1) laundering of cultural property (Article 518- sexies of the Criminal Code); 2) devastation and looting of cultural and scenic property (Article 518-terdecies of the Criminal Code).

<sup>25</sup> Pursuant Article 3 of **Law 146/2006**, a **transnational** crime is considered a crime punishable by imprisonment of not less than a maximum of four years, if an organized criminal group is involved, as well as: a) it is committed in more than one state; b) is committed in one state, but a substantial part of its preparation, planning, direction or control takes place in another state; c) or is committed in one state, but an organized criminal group engaged in criminal activities in more than one state is

involved in it; d) or is committed in one state but has substantial effects in another state. These are the crimes of criminal conspiracy (Article 416 of the Criminal Code), mafia-type conspiracy (Article 416-bis of the Criminal Code), conspiracy to smuggle foreign tobacco products (Article 291-quater of Presidential Decree 43/1973), conspiracy to engage in illegal trafficking in narcotic or psychotropic substances (Article 74 d.p.r. 309/1990), provisions against illegal immigration (Art. 12, paras. 3, 3-bis, 3-ter and 5 D.Lgs. 286/1998), inducement not to make statements or to make false statements to the judicial authorities (Art. 377-bis c.p.) and aiding and abetting (Art. 378 c.p.).

- fraud in agriculture, **Art. 12 L. 9/2013**<sup>26</sup>.

For details of the predicate crimes expressly provided for in the Decree, the commission of which may result in the liability of the entity, please refer to the attached Catalog (**ANNEX 1**).

## 1.4 Penalty apparatus

As a result of the commission or attempted commission of the above-mentioned predicate offenses, the following penalties are provided for by Articles 9 - 23 of Legislative Decree No. 231/2001 against the entity:

- **administrative fine;**
- **disqualifying sanctions;**
- **confiscation of the price or profit of the crime;**
- **publication of the judgment.**

**a) The administrative pecuniary penalty** is always applied in the case of an administrative offense dependent on a crime and is determined by the Criminal Judge through a system based on "quotas," provided in numbers of not less than one hundred (in the minimum) and not more than one thousand (in the maximum).

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The Legislature adopted an innovative criterion for the commensuration of the penalty, giving the Judge the obligation to proceed to two different and successive evaluation operations, in order to achieve a greater adjustment of the penalty to the seriousness of the fact and the economic conditions of the Entity. The first assessment requires the Judge to determine the number of shares taking into account: i) the seriousness of the act; ii) the degree of liability of the Entity; iii) the activity carried out to eliminate or mitigate the consequences of the act and to prevent the commission of further offenses. During the second assessment, the Judge determines the value of each share, from a minimum of 258.00 euros to a maximum of 1,549.00 euros. This amount is set *"on the basis of the economic and patrimonial conditions of the entity in order to ensure the effectiveness of the sanction"* (Articles 10 and 11, paragraph 2, Legislative Decree 231/2001).

<sup>26</sup> **Article 12 of Law 9/2013** has extended - for entities operating within the virgin olive oil supply chain - the scope of application of Legislative Decree 231/2001 to the following offenses: adulteration and counterfeiting of food substances (Article 440 of the Criminal Code), trade in counterfeit or adulterated food substances (Article 442 of the Criminal Code), trade in harmful food substances (Article 444 of the Criminal Code.), counterfeiting, alteration or use of distinctive signs of works of art or industrial products (art. 473 of the Criminal Code), introduction into the State and trade of products with false signs (art. 474 of the Criminal Code), fraud in the exercise trade (art. 515 of the Criminal Code.), sale of foodstuffs that are not genuine as genuine (Article 516 of the Criminal Code), sale of industrial products with false signs (Article 517 of the Criminal Code) and counterfeiting of geographical indications designations of origin of agri-food products (Article 517-quater of the Criminal Code).

**b) Disqualifying sanctions:** are aimed at the specific activity to which the entity's offence relates and are applied in relation only to the offences for which they are expressly provided for in the regulations, provided that the conditions set out in Article 13 of the Decree<sup>27</sup> are met

Specifically, disqualifying sanctions are distinguished into:

- from practice;
- suspension or revocation of authorizations, licenses or concessions functional to the commission of the offense;
- Prohibition of contracting with the public administration, except to obtain the performance of a public service;
- exclusion from benefits, financing, contributions or subsidies and the possible revocation of those granted;
- Ban on advertising goods or services<sup>28</sup>.

The judge determines the type and duration of the disqualification sanction to be imposed, taking into account the suitability of individual sanctions to prevent offenses of the type committed and, if necessary, may apply - jointly - several disqualification sanctions of different types (Art. 14, paragraph 1 and paragraph 3, Legislative Decree No. 231/2001).

It should also be noted that in lieu of the imposition of the prohibitory sanction, it is possible for the continuation of the entity's activity to be ordered by a commissioner appointed by the Judge, pursuant to and under the conditions Article 15 of Legislative Decree No. **231/2001**<sup>29</sup>.

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<sup>27</sup> Pursuant Article 13 of Legislative Decree 231/2001, disqualification sanctions apply when at least one of the following conditions is met:

a) the entity has derived significant profit from the commission of the crime and crime was committed by individuals in a top position, or by individuals under the direction of others when-in the latter case-the commission of the crime was determined or facilitated by serious organizational deficiencies;

b) In case of repeated offenses.

<sup>28</sup> The only sanctions (i) of disqualification from business, (ii) prohibition from contracting with the public administration, and (iii) prohibition from advertising goods or services may be applied - in the most serious cases - on a definitive basis. In this regard, Article 16 of Legislative Decree 231/2001, provides. "1. A definitive disqualification from carrying out activity may be ordered if the entity has derived a significant profit from the crime and has already been sentenced, at least three times in the last seven years, to temporary disqualification from carrying out activity. 2. The judge may definitively apply to the entity the sanction of a ban on contracting with the public administration or a ban publicizing goods or services when it has already been sentenced to the same sanction at least three times in the last seven years. 3. If the entity or one of its organizational units is permanently used for the sole or prevalent purpose of enabling or facilitating the commission of crimes in relation to which its liability is envisaged, a definitive prohibition from exercising the activity is always ordered and the provisions Article 17 are not applied."

<sup>29</sup> See Article 15 of Legislative Decree. 231/2001: "Judicial Commissioner - If the conditions exist for application of a disqualification sanction that results in interruption of the entity's activity, the Judge, in lieu of the application of the sanction, shall order the continuation of entity's activity by a commissioner for a period equal to the duration of the disqualification sanction that would have been applied, when at least one of the following conditions occurs: (a) the entity performs a public service or a service of public necessity, the interruption of which may cause serious harm to the community; (b) the interruption of the entity's activity may cause, taking into account its size and the economic conditions of the territory in which it is located, significant repercussions on employment. In the judgment ordering the continuation of the activity, the court shall indicate the duties and powers of the commissioner, taking into account the specific activity in which the wrongdoing by the entity was carried out. Within the scope of the tasks and powers indicated by the judge, the commissioner shall see to adoption and effective implementation of suitable models of organization and control

In addition, interdiction sanctions can also be requested by the Public Prosecutor and applied to the Entity by the Judge as a precautionary measure (Art. 45 Legislative Decree 231/2001), when: a) are serious indications that the Entity is liable for an administrative offence dependent on a crime; b) there are well-founded and specific elements that suggest the existence of a concrete danger that offences of the same nature as the one for which the case is being prosecuted will be committed; c) the Entity has made a significant profit.

In any case, disqualification penalties are not applied when the crime was committed in the predominant interest of the perpetrator or third parties and the Entity gained little or no advantage from it, or the pecuniary damage caused is of particular tenuousness.

The application of prohibitory sanctions is also excluded by the fact that the Entity has carried out the remedial conduct provided for in Article 17, Legislative Decree 231/2001 and, more specifically, when the following conditions concur:

- *"the Entity has fully compensated for the damage and eliminated the harmful and dangerous consequences of the crime or has otherwise effectively done so."*
- *"the Entity has eliminated the organizational deficiencies that led to the crime by adopting and implementing organizational models suitable to prevent crimes of the kind that occurred."*
- *"the Entity made the profit made available for the purpose of confiscation."*

With regard to environmental crimes, disqualifying sanctions are applied in the specific terms and manner specified in Decree 121/2011 that introduced them.

**c) Confiscation (including for equivalent) of the price** (money or other economic utility given or promised to induce or determine another person to commit the crime) **or profit of the crime** (immediate economic utility gained) is a mandatory sanction that any conviction (Article 19 of the Decree);

**(e) Publication of the judgment** in one or more newspapers, either in excerpt or in full, may be ordered by the Judge, together with posting in the municipality where the Entity has its main office, when a disqualifying sanction is applied. This is a possible sanction and presupposes application of a prohibitory sanction (Article 18 of the Decree).

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To prevent crimes of the kind that have occurred. It may not perform acts of extraordinary administration without court authorization. The profit from the continuation of the activity is confiscated. The continuation of the activity by the commissioner not be ordered when the interruption of the activity follows final application of a prohibitory sanction."

## 1.5 Attempt

In cases where the crimes sanctioned under Legislative Decree 231/2001 are committed in an attempted form, monetary penalties (in terms of amount) and prohibitory penalties (in terms of duration) are reduced by one-third to one-half (Articles 12 and 26, Legislative Decree 231/2001).

No liability arises on the part of the entity if it voluntarily prevents performance of the action or realization of the event (Art. 26 Legislative Decree 231/2001). In this case, the exclusion of sanctions is justified by virtue of the interruption of any relationship of immedesimation between the entity and the individuals who assume to act in its name and on its behalf.

## 1.6 Crimes committed abroad

According Article 4 of Legislative Decree No. 231/2001, the entity may be held liable in Italy in connection with crimes

- covered by the same Legislative Decree No. 231/2001 - committed <sup>abroad</sup><sup>30</sup>.

The prerequisites on which the entity's liability for crimes committed abroad is based are:

- the crime must be committed by a person functionally related to the entity, pursuant to Article 5, paragraph 1, Legislative Decree No. 231/2001;
- the entity must have its head office in the territory of the Italian state;
- the entity may answer only in the cases and under the conditions provided for in Articles 7, 8, 9, 10 of the Criminal Code (in cases where the Law provides that the perpetrator - a natural person - is punished at the request of the Minister Justice, proceedings are brought against the entity only if the request is also made against the entity itself)<sup>31</sup> and, also in deference to the principle of legality set forth Article 2 of Legislative Decree No. 231/2001, only against crimes for which its liability is provided for by an *ad hoc* legislative provision;

<sup>30</sup> Article 4 of Legislative Decree 231/2001 provides as follows: "1. In the cases and under the conditions provided for in Articles 7, 8, 9 and 10 of the Criminal Code, entities having their head office in the territory of the State shall also be liable in relation to crimes committed abroad, provided that the State of the place where the act was committed does not proceed against them. In cases where the law provides that the offender shall be punished at the request of the Minister of Justice, proceedings shall be brought against the entity only if the request is also made against it."

<sup>31</sup> Article 7 of the Criminal Code.: "Crimes committed abroad - A citizen or foreigner who commits on foreign territory any of the following crimes is punished under Italian law: 1) offenses against the personality of the Italian State; 2) offenses of counterfeiting the seal of the State and use of such counterfeit seal; 3) offenses of counterfeiting money that is legal tender in the territory of the State, or in revenue stamps or in Italian public credit cards; 4) offenses committed by public officials in the service of the State, abusing their powers or violating the duties inherent in their functions; 5) any other offense for which special provisions of law or international conventions establish the applicability of Italian criminal law." Article 8 of the Criminal Code: "Political crime committed abroad - A citizen or foreigner, who commits on foreign soil a political crime not included among those indicated in number 1 of the previous article, shall be punished according to Italian law, at the request of the Minister of Justice. If it is a crime punishable on complaint by the offended person, a complaint is required in addition to such a request. For the purposes of criminal law, a political crime is any crime, which offends a political interest of the state, or a political right of the citizen. Also considered a political crime is the common crime

- existence of the cases and conditions set forth in the above-mentioned articles of the Criminal Code, the State of the place where the act was committed shall not prosecute the entity.

### 1.7 Exempting value of Organization, Management and Control Models

A characteristic aspect of Legislative Decree 231/2001 is the attribution of an exemption value to the Organization, Management and Control Model adopted by the Company.

In fact, in **the case of an offense committed by a person in an apical position**, the company is not liable if it proves that (Article 6, paragraph 1, Legislative Decree 231/2001):

- a) 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;
- b) the task of supervising the operation of and compliance with the models and ensuring that they are updated has been entrusted to a body of the entity with autonomous powers of initiative and control;
- c) persons committed the crime by fraudulently circumventing the organization and management models;
- d) there was no failure or insufficient supervision by the supervisory body.

The company will, therefore, have to prove its extraneousness to the facts alleged against the apical person by proving the existence of the above-mentioned competing requirements and, by implication, the circumstance that the commission of the crime does not result from its own "organizational fault."

In the **case, on the other hand, of an offense committed by persons subject to the management or supervision of a top executive**, the company will be liable if the commission of the offense was made possible by the violation of the management or supervisory obligations to which the company is bound, while it will be exempt from liability to the

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*determined, in whole or in part, by political motives.*" Article 9 of the Criminal Code: "Common Crime of the Citizen Abroad - The citizen, who, outside the cases indicated in the two previous articles, commits on foreign territory a crime for which Italian law establishes life imprisonment, or imprisonment for not less than a minimum of three years, shall be punished according to the same law, provided that he is in the territory of the State. If it is a crime for which a punishment restricting personal liberty of a lesser duration is established, the offender shall be punished at the request of the Minister of Justice or at the instance or on complaint of the offended person. In the cases provided for in the preceding provisions, if it is a crime committed to the detriment of the European Communities, a foreign state or a foreigner, the offender shall be punished at the request of the Minister of Justice, provided that the extradition of him has not been granted, or not been accepted by the government of the state in which he committed the crime." Article 10 of the Criminal Code: "Common crime of the foreigner abroad - The foreigner, who, outside the cases indicated in Articles 7 and 8, commits in foreign territory, to the detriment of the State or a citizen, a crime for which Italian law establishes life imprisonment, or imprisonment of not less than one year in the minimum, shall be punished according to the same law, provided that he is in the territory of the State, and there a request by the Minister of Justice, or an application or complaint by the offended person. If the crime is committed to the detriment of the European Communities of a foreign state or a foreigner, the offender shall be punished according to Italian law, at the request of the Minister of Justice, provided that: 1) he is in the territory of the State; 2) it is a crime for which penalty of life imprisonment or

*imprisonment of not less than a minimum of three years is established; This extradition has not been granted, or has not been accepted by the Government of the State where committed the crime, or by that of the State to which he belongs."*

pursuant Article 7 of Legislative Decree 231/2001 if the Entity has adopted and effectively implemented, prior to the commission of the crime, a Model suitable for preventing crimes of the kind that occurred.

Article 7, paragraph 4, Legislative Decree 231/2001 also defines the requirements of the effective implementation of organizational models:

- periodic verification and possible amendment of the Model when significant violations of the requirements are discovered or when changes occur in the organization and activity;
- An appropriate disciplinary system to punish non-compliance with the measures specified in the Model.

Legislative Decree 231/2001 outlines the content of Organization, Management and Control Models by stipulating that they must, in relation to extent of delegated powers and the risk of crimes being committed:

- Identify the activities within the scope of which crimes may be committed;
- Provide specific protocols aimed at planning formation and implementation of the company's decisions in relation to the crimes to be prevented;
- Identify ways of managing financial resources suitable for preventing the commission of crimes;
- Provide for information obligations to the body responsible for supervising operation of and compliance with the models;
- Introduce an appropriate disciplinary system to punish non-compliance with the measures outlined in the Model.

## **1.8 Codes of conduct prepared by representative trade associations**

Article 6, paragraph 3, Legislative Decree 231/2001 provides that: "*Organizational and management models may be adopted, guaranteeing the requirements of paragraph 2, on the basis of codes of conduct drawn up by associations representing entities, communicated to the Ministry of Justice which, in consultation with the competent ministries, may make observations, within thirty days, on the suitability of the models to prevent crimes.*"

In preparing, as well as updating, this Model, the Company was inspired by the Guidelines for the Construction of Organization, Management and Control Models under Legislative Decree 231/2001, approved by Confindustria on March 7, 2002, and subsequently updated<sup>32</sup>.

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<sup>32</sup> Most recently, Guidelines updated by Confindustria in June 2021.



Specifically, the Guidelines developed by Confindustria suggest that member companies use *risk assessment* and *risk management* processes in the construction of Organization, Management and Control Models and provide for the following steps:

- Identification of so-called sensitive activities, i.e., those in the of which crimes may be committed and the related risks;
- Analysis of the existing control system prior to the adoption/update of the Organizational Model;
- Evaluation of residual risks, which are not covered the preventive control garrisons;
- Provision of specific protocols aimed at preventing crimes, in order to adapt the preventive control system.

It is appropriate, however, to point out any non-compliance with specific points of the reference Guidelines does not, in itself, invalidate the validity of the Model adopted by the Company. The individual Model, in fact, since it must be drafted with reference to the concrete reality of the company to which it refers, may deviate from the Guidelines (which, by their nature, are general in nature), in order to respond more closely to the prevention requirements inherent in the Decree.

Regarding the aspect related to crimes in the field of Occupational Health and Safety, the Model was defined in accordance Article 30 of Legislative Decree 81/2008 and the indications of the Ministry of Labor and Social Policies, with particular reference to the document of the Permanent Advisory Commission for Occupational Health and Safety referred to Article 6 of Legislative Decree 81/08 (document of April 20, 2011) and the Ministerial Decree of February 13, 2014, on Simplified Procedures for the Adoption of Organization and Management Models in Small and Medium Enterprises.

## **2 DESCRIPTION OF THE BUSINESS REALITY**

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### **2.1 Activities of the Society**

Rosa Ermando S.p.A. (hereinafter also referred to as "Rosa Ermando" or "Company") was founded in 1964 by Engineer Ermando Rosa and, as per the provisions of its bylaws, has as its object the conception, design, production, sale, rental, maintenance, retrofitting and overhaul of tangential grinding machines for flat surfaces and rotary table as well as spare parts. It may also carry out all commercial, industrial and financial, movable and real estate transactions that will be deemed necessary or useful for the implementation of the corporate purpose.

### 3 DESCRIPTION OF CORPORATE STRUCTURE

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#### 3.1 The organizational reality of Rosa Ermando

Rosa Ermando's corporate governance model is a so-called "traditional" system with Shareholders' Meeting, a Board of Directors ("B.o.D.") and a Board of Statutory Auditors. The latter is supported by an auditing firm.

The **shareholders' meeting** is the deliberative and sovereign body of the company and is composed of the shareholders. It is the body in which the corporate will is formed and expressed, which is then implemented by the administrative body. It has the powers vested in it by law and the Articles of Association.

Depending on the subject matter on which it deliberates, it is distinguished into ordinary and extraordinary. The Assembly deliberates by the collegial method and, therefore, can deliberate validly if it makes its decisions by majority vote. Its decisions bind all members even if absent or dissenting.

The Company is administered by a **Board of Directors** consisting of seven members who have been given different powers to administer the Company, with precisely defined limitations. The appointed members are as follows: the Chairman, three Managing Directors and three Directors.

The **Chairman of the Board of Directors** is vested with all powers for the ordinary and extraordinary management of the company. The Board of Directors, within the limits provided for Article 2381 of the Civil Code, may delegate its powers in whole or in part to one or more of its members, including the Chairman, or to an executive committee composed of some of its members, determining the limits of the delegation and the powers granted. Legal representation of the Company is vested in the Chairman of the Board of Directors and the Managing Directors.

The **Board of Statutory Auditors**, provided for and regulated in Articles 2397 et seq. of the Civil Code, is one of the bodies included in the organizational structure of joint-stock companies that, in their bylaws, decide to adopt the so-called traditional system. Pursuant to Article 2403 of the Civil Code, the Board of Statutory Auditors is the corporate body entrusted with task of supervising compliance with the law and the articles of association by the other bodies of the company, observance of the principles of proper administration and, in particular, the adequacy of the organizational, administrative and accounting structure of the company and its actual functioning. In other words, the Board of Statutory Auditors is vested by law with the powers of control and has the purpose of ensuring fairness and transparency in the management of the company. Board of Statutory Auditors of Rosa Ermando consists of five members, including: a Chairman, two Statutory Auditors and two Alternate Statutory Auditors.

The **Auditing Firm** assists and supports the Board of Statutory Auditors in the statutory .

The Company is, in addition, endowed with **Attorneys-in-Fact**, who have their respective powers as indicated in the company's corporate visor.

The **Employer** is identified consistently with the functions performed within the Company. This person is exclusively entrusted, through specific minutes of the Board of Directors, with the tasks of performing all the functions and related duties necessary to ensure that Company's activities are carried out in the strictest compliance with all the obligations provided for by current legislation on the protection of health and safety in the workplace, and in particular the obligations set forth in Legislative Decree No. 81 of April 9, 2008, as amended.

In order to manage the requirements stipulated in Occupational Health and Safety, the following functions are established:

- Protection and Prevention Service Manager (RSPP);
- Physician-in-Charge;
- Providers;
- First-aid responders;
- Fire Prevention and Emergency Management Officers;
- RLS.

### **3.2 Rosa Ermando's governance tools.**

The main **governance** tools with which the Company has been equipped can be summarized as follows:

- The Bylaws of Rosa Ermando, which, in addition to describing the activities carried out by the entity, include several provisions related to corporate governance such as the functioning of the Shareholders' Meeting and the Board of Directors;
- The system of powers of attorney granted by the Board of Directors;
- organizational chart and company procedures that briefly describe the functions, tasks and hierarchical relationships existing within the Company;
- The identification of the employer figure with all the broadest powers and wide financial autonomy;
- The adoption of management systems;
- All company documentation related to the occupational health and safety management system.

The set of *governance* tools adopted by Rosa Ermando (referred to above in extreme summary) and the provisions of this Model make it possible to identify, with respect to all activities, how the entity's decisions are formed and implemented (cf. art. 6, paragraph 2 letter b, Legislative Decree 231/2001).

## **4 ORGANIZATION, MANAGEMENT AND CONTROL MODEL AND METHODOLOGY FOLLOWED IN ITS PREPARATION**

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### **4.1 Foreword**

The decision of the Board of Directors to adopt and constantly update the Organization, Management and Control Model in accordance with Legislative Decree 231/2001, as well as the Code of Ethics, in addition to being a reason for exempting the Company from liability with reference to the commission of certain types of crimes, is an act of social responsibility towards stakeholders (shareholders, employees, customers, suppliers) as well as the community.

In particular, the adoption and dissemination of a constantly updated Organizational Model aim, on the one , to determine an awareness in the potential perpetrator of the crime of carrying out an offence whose commission is firmly condemned by the Companies and contrary to its interests, and, on the other hand, through constant monitoring of the activity, to enable the Company to prevent and react promptly in order to prevent the commission of the crime or the realization of the event.

The Company has, therefore, intended to initiate an activity (hereinafter, "Project") to prepare the Model for the prevention of crimes in order to comply with the provisions of *best practices*, Doctrine and existing Jurisprudence on the subject.

The adoption of the Model, pursuant to the aforementioned Decree, is not an obligation. The Company has, however, deemed such adoption in accordance with its corporate policies in order to:

- Establish and/or strengthen controls that enable the Company to prevent or react promptly to prevent the commission of offenses involving the administrative liability of the Company, by top management and persons subject to the management or supervision of the former;
- Raise awareness, with the same purposes, of all individuals who collaborate, in various capacities, with Company (external collaborators, agents, suppliers, etc.), requiring them, within the limits of the activities carried out in the interest of the Company, to adapt to conduct such as not to entail the risk commission of crimes;
- ensure its integrity by adopting the fulfillments expressly stipulated in Article 6 of the Decree;

- Improve effectiveness and transparency in the management of business activities;
- determine in the potential perpetrator full awareness that he or she is committing an offence that is strongly condemned and contrary to the interests of the Company even when the Company could apparently benefit from it.

#### 4.2 Rosa Ermando's Project for defining her own Model

The methodology chosen for the definition of the Company's Model, in terms of organization, definition of operating methods, structuring in phases, and allocation of responsibilities among the various corporate functions, was developed in order to ensure quality and authority of the results also taking into consideration the provisions of the applicable guidelines.

The Project was divided into the phases summarized in the table below:

Phases	Activities
<p><b>Stage 1</b></p>	<p><b>Risk Assessment</b></p> <p>Preliminary meeting with the Company in order initiate the project; identification of the Key Officers to be interviewed, i.e., the company individuals who play the key roles in carrying out the activity based on functions and responsibilities; collection and analysis of relevant documentation; conducting the interviews with the Key Officers previously identified; detection of sensitive activities and related assessment regarding the potential risk of committing the crimes referred to in Legislative Decree 231/2001.</p> <p>In particular, for crimes pertaining to occupational health and safety aspects, the processes and obligations indicated in Art. 30 of Legislative Decree 81/2008 are considered. The risk assessment phase related to occupational health and safety is developed with the support of the risk assessment document (Art. 28 Legislative Decree 81/2008).</p> <p>For environmental aspects and predicate offenses specified in Article 25-undecies, sharing of findings with interviewees.</p>
<p><b>Stage 2</b></p>	<p><b>Gap Analysis/Defining Control Protocols.</b></p> <p>Analysis of the detected sensitive activities and the control environment with reference to a "trending" Model, i.e., complying with the provisions Legislative Decree 231/2001; preparation of the Gap Analysis (summary of the differences between existing control protocols and the trending Model; identification of proposed adjustments and improvement actions).</p>

Phases	Activities
	<p>The purpose of the Gap Analysis document is to survey the control standards that must necessarily be met in order for the Company to establish an organization aimed at avoiding the commission of crimes. The control standards are based on the following general principles that must be observed within each identified sensitive activity:</p> <ul style="list-style-type: none"> <li>• <b>Existence of formalized procedures/guidelines/operating practices:</b> existence of formal rules or established practices suitable for providing principles of behavior and operating methods for carrying out sensitive activities;</li> <li>• <b>Ex-post traceability and verifiability</b> of transactions through appropriate documentary/informative supports: ex-post verifiability of the process of decision-making, authorization and performance of the sensitive activity, including through appropriate archived evidence;</li> <li>• <b>Regulation of the process and segregation of duties:</b> identification of the activities put in place by the various functions and division of the same between those who execute, those who authorize and those who control, so that no one can independently manage the entire performance of a process. This segregation is ensured by the intervention within a sensitive process of several parties in order to ensure independence and objectivity of activities;</li> <li>• <b>Existence of a system of proxies/proxies consistent with the organizational responsibilities assigned:</b> existence of formalized proxies and related spending powers consistent with the organizational responsibilities assigned, in the performance of sensitive activities for the purposes of Legislative Decree 231/2001, defining them specifically for the protection of Health and Safety, as provided for in Legislative Decree 81/2008, as well as for environmental protection through an articulation of functions that ensure technical competencies for verification, management and control of risk.</li> </ul> <p>Specifically with regard to occupational health and safety and environmental aspects, management criteria are defined according to the relevant standards/regulations.</p>
<b>Stage 3</b>	<p><b>Definition of Model 231 and subsequent activities</b></p> <p>Preparation of the draft Organization, Management and Control Model; sharing the prepared draft with the interviewed roles and the Board of Administration of the Company; approval of the Organizational Model by the</p>

Phase s	Activities
	Board of Directors of the Company; approval, dissemination of the Model and training activities on the cardinal principles of Legislative Decree 231/2001.

### 4.3 Assessment of the level of exposure to the risk of commission of crimes

With reference to Phase 1, the assessment of the level of exposure to the risk of committing crimes was carried out according to the following table considering jointly:

- **Activity incidence:** assessment of the frequency and/or economic significance of the activity;
- **Abstract risk of crime:** assessment about the possibility in the abstract of unlawful conduct in the interest or for the benefit of the entity.

The assessment of the level of residual risk of committing crimes was carried out according to the table below, considering the total risk of the activity calculated according to the above and the level of existing control standards.

At the end of the Model drafting project, the necessary improvement activities were identified to bring the level compliance to "high" level for each sensitive activity and, thus, mitigate the risk of commission of crimes to the maximum extent possible.

In the preparation of an Organization and Management Model, such as the present one, the concept of acceptable risk cannot be overlooked. The threshold of acceptability is represented by the effective implementation of an adequate preventive system that is such that it cannot be circumvented unless intentionally, that is, for the purposes of exclusion of administrative liability of the entity, the persons who committed the offense acted by fraudulently circumventing the Model and the controls adopted by the Company.

#### **4.4 The Organization, Management and Control Model of Rosa Ermando**

The preparation of the Organizational, Management and Control Model by the Company involved an activity of adjusting the pre-existing protocols to the control principles introduced with Legislative Decree 231/2001 in order to make the Model itself suitable for preventing the commission of the crimes referred to in the Decree.

In light of the above considerations, Rosa Ermando has prepared a Model that takes into account its peculiar business reality, consistent with its system of *governance* and able to enhance the controls and bodies already in place prior to the updating of this Model.

This Model represents a coherent set of principles, procedures and provisions that: *i)* affect the internal functioning of the Company and the ways in which it relates to the outside world and *ii)* regulate the diligent management of a control system of sensitive activities, aimed at preventing the commission or attempted commission, of the crimes referred to in Legislative Decree 231/2001.



The Model, as approved by resolution of Rosa Ermando's Board of Directors, includes the following constituent elements:

- Identification of company activities within the scope of which the crimes referred to in Legislative Decree 231/2001 may be committed;
- control protocols in relation to the identified sensitive activities;
- Identification of ways to manage financial resources;
- Establishment of a Supervisory Board which is assigned duties and powers appropriate to the functions stipulated in the Model;
- information flows to and from the Supervisory Board and specific reporting obligations to the Supervisory Board itself;
- system for reporting irregularities and violations (so-called Whistleblowing System);
- Disciplinary system and penalty mechanisms;
- communication and training plan on the principles of Legislative Decree 231/2001 of employees and to other individuals who interact with the Company;
- Definition of criteria for updating and adjusting the Model;
- Formalized system of delegations and powers.

They form an integral part of the Model:

- (i) the **general part** containing: the regulatory framework of reference; Rosa Ermando's corporate reality, *governance* system and organizational structure; the methodology adopted for *risk assessment* and *gap analysis* activities; the identification and appointment Rosa Ermando's Supervisory Board, with specific indication of powers, duties and information flows; the function of the disciplinary system and the related sanctioning apparatus; the training and information plan to be adopted in order to ensure awareness of the measures and provisions of the Model; the criteria for updating and adapting the Model.
- (ii) the **special part** containing the sensitive activities and related *standards* and specific control protocols.
- (iii) The **Code of Ethics** (see next section).

## 5 CODE OF ETHICS.

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The Company's Code of Ethics, adopted by resolution of the Board of Directors, is made known to all personnel and expresses the ethical principles that Rosa Ermando recognizes as its own and on which it calls for compliance by all those who work to achieve the Company's objectives.

The Code of Ethics expresses, among other things, lines and principles of behavior aimed at preventing the offenses set forth in Legislative Decree 231/2001 - also in light of the social role played by the entity itself - and expressly refers to the Model as a tool and interpretative key for operating in compliance with the procedures adopted by the Company and current regulations.

The Code of Ethics must, therefore, be regarded as an integral part of this Model and a fundamental tool for achieving the Models objectives.

## 6 THE SUPERVISORY BODY UNDER LEGISLATIVE DECREE 231/2001

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### 6.1 Foreword

According to the provisions of Legislative Decree No. 231/2001 - Article 6, paragraph 1, letters a) and b) - the entity may be exempted from liability resulting from the commission of crimes by qualified persons *under* Article 5 of Legislative Decree No. 231/2001, if the management body has, among other things:

- adopted and effectively implemented Organization, Management and Control Models suitable for preventing the crimes under consideration;
- entrusted the task of supervising the implementation and observance of the Model, as well as promoting its updating, to a body of the entity with autonomous powers of initiative and control.

The task of continuously supervising widespread and effective implementation of the Model, its compliance by the recipients, as well as proposing its updating in order to improve its efficiency in preventing crimes and offenses, is entrusted to this body established by the company.

The entrusting of the aforementioned tasks to a body with autonomous powers of initiative and control, together with the proper and effective performance of the same, is, therefore, an indispensable prerequisite exemption from liability under Legislative Decree 231/2001.

### 6.2 The Supervisory Board of Rosa Ermando

**Rosa Ermando has identified its Supervisory Board (hereinafter, Supervisory Board" or "SB") as a single-member body.**

In compliance with the provisions of Article 6, paragraph 1, letter b) of Legislative Decree 231/2001 and in light of the indications of Confindustria, Rosa Ermando has opted for a solution that, taking into account the purposes pursued by the law, is able to ensure, in relation to its size and organizational complexity, the effectiveness of the controls to which the supervisory body is assigned.

### 6.3 Appointment and financial readiness

The Supervisory Board is appointed by the Board of Directors and remains in office for the period established at the time of its appointment, however, not exceeding three years, and is eligible for reappointment. The same ceases due to expiration of the term of office, although it continues to perform its functions *ad interim* until the appointment of the new O.d.V. takes place.

The compensation, if any, for serving as a member of the Supervisory Board is determined by the Board of Directors for the duration of the term of office.

At the proposal of the Supervisory Board, the Board of Directors makes available to the Supervisory Board and upon its request an annual budget, so that the Supervisory Board can independently carry out even those audits that, due to the specificity of the required competencies, cannot be carried out directly. Should the assigned *budget* be with respect to the activities to be carried out, this is without prejudice to the right of the O.d.V. to use other resources that - if necessary - will be made available by the Company.

### 6.4 Component Requirements

The connotation requirements of O.d.V. members can be summarized as follows<sup>33</sup>:

- i. **autonomy and independence:** it is necessary "*to prevent the Supervisory Board as a whole from being entrusted with operational tasks. There must be no identity between controlled and controlling. Eliminate economic or personal interference and conditioning by top management bodies. Provide in the Model for effective causes of ineligibility and disqualification from the role of members of Supervisory Board, which guarantee honorability, absence of conflicts of interest and kinship relations with corporate bodies and top management.*"
- ii. **professionalism:** it is necessary to "*appoint individuals with expertise in inspection and consulting, capable of performing statistical sampling, analysis, evaluation*

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<sup>33</sup> The following parts are taken from the Guidelines updated by Confindustria in June 2021.

*and risk containment, questionnaire design and evaluation. It is appropriate that at least some of the members of Supervisory Board should have legal expertise."*

- iii. **Honorability:** the members of the Supervisory Board meet the requirements of honorability, absence of conflict interest, absence of kinship and/or business, therefore, they cannot be appointed as members of the Supervisory Board:
- a) Individuals who carry out company activities of a managerial and operational nature and are subject of control activities;
  - b) those who are linked to the Company by an ongoing consultancy or paid work relationship or may compromise their independence;
  - c) spouse, relatives, relatives-in-law within the fourth degree with members of the Board of Directors and the Board of Statutory Auditors of the Company;
  - d) All those who directly and/or indirectly conflict with the interests of the Company.
- In addition, the position of O.d.V. member cannot be held by those who:
- are in one of the causes of ineligibility or disqualification provided for in Article 2382 of the Civil Code;
  - Have been convicted of any of the so-called predicate offenses, whether or not by a final judgment or plea bargain.
- iv. **Traceability:** the O.d.V. is required to take care of the preservation and traceability of documentation pertaining to the activities carried out, also in order to be able to prove the continuity of supervisory activities.
- v. **Confidentiality:** the O.d.V. is held to the strictest confidentiality and protection of professional secrecy about the information and news received in the performance of the activity; in any , any information in the possession of the O.d.V. is treated in accordance with the provisions of Legislative Decree 196/2003 (Privacy Code) and GDPR EU Regulation 2016/679, as well as in general privacy legislation.
- vi. **objectivity/integrity:** the requirements of autonomy and independence, together with professionalism, ensure that the Body conducts its activities impartially and realistically, that is, in the absence of bias and self-interest.
- vii. **protection:** the SB has a duty to act by taking all necessary precautions in order to ensure the so-called "whistleblowers" from any form of penalization, retaliation or discrimination.
- viii. **fairness:** the members of the O.d.V. shall refrain from seeking and/or using confidential information for purposes inconsistent with the O.d.V.'s own functions.

## 6.5 Rules of Conduct

The activities of the Supervisory Board must be guided by the following rules of conduct:

- continuity of action: the activities of the O.d.V. are carried out continuously, albeit periodically, and without interruption, regardless of the change in the composition of the Body;
- integrity: the members of the O.d.V. must operate with honesty, diligence and a sense of responsibility;
- Objectivity: the members of the O.d.V. do not participate in any activity that may affect the impartiality of their evaluation and, if they do, they abstain from the relevant evaluations and deliberations within the activities of the Supervisory Board. They must report all significant facts of which they have become aware and whose omission may give an altered and/or incomplete picture of the activities analyzed;
- Confidentiality: members of the O.d.V. must exercise all appropriate caution in the use and protection of information acquired. They must not use the information obtained either for personal gain or in ways that are contrary to the law or that could harm the objectives of the Company.

## 6.6 Functions and Powers

The activities carried out by the Supervisory Board cannot be reviewed by any other body or function of the Company, it being understood that the Board of Directors is in any case called upon to supervise the adequacy of its work, since it has ultimate responsibility for the functioning and effectiveness of the Model.

The O.d.V. has powers of initiative and control necessary ensure effective and efficient supervision of the functioning and observance of the Model in accordance with provisions of Article 6 of Legislative Decree 231/2001.

The function of the SB is to:

- **Oversee the operation and effectiveness of** the Model, i.e., verify the consistency between concrete behaviors and the established Model;
- **Verify** the **adequacy** of the Model, that is, its actual ability to prevent undue behavior in principle;
- **Analyze the maintenance of the** solidarity and functionality **requirements** of the Model **over time**;
- **take care of the updating** of the Model if it becomes necessary to make corrections or adjustments: this specific task involves both the burden of submitting proposals for adjustment of the Model to the management body and the subsequent verification of the implementation of the actual functionality of the proposed solutions.

Within the scope of the above function, the duties of the Supervisory Board include, but are not limited to:

- Activate a verification plan aimed at ascertaining the concrete implementation of the Organizational Model by all recipients;
- monitor the need for an update of the risk mapping and the Model itself in case of significant organizational changes or extension of the type of crimes taken into consideration by Legislative Decree 231/2001, informing the Board of Directors;
- Monitor information/training initiatives aimed at disseminating knowledge and understanding of the Model within the company promoted by the competent function;
- periodically perform targeted internal audits and investigations of certain transactions or specific acts carried out within the areas of risk, as well as in relation to alleged violations of the requirements of the Model;
- collect, process and store relevant information regarding compliance with the Model, as well as update the list of information that must be mandatorily submitted to the SB;
- Promptly report any critical issues related to: a) the existence of any atypical financial flows characterized by greater margins of discretion than ordinarily provided for, proposing appropriate operational solutions, b) behavioral deviations that may emerge from the analysis of information flows and from the reports to which the heads of the various functions are bound, c) any violations of protocols or the shortcomings detected during the audits carried out;
- oversee the consistent application of the sanctions provided for in internal regulations in cases of violation of the Model, without prejudice to the competence of the body delegated for the application of sanction measures.

## 6.7 Operations

To carry out the tasks, the Supervisory Board:

- must have unrestricted access to all functions of the Company - without the need for any prior consent - in order to obtain any information or data deemed necessary for the performance of the tasks envisaged by Legislative Decree 231/2001. To this end, administrative body must allow the O.d.V. to access all information of which it has knowledge and to contact without limitation within the entity those persons from whom it deems it necessary to acquire information;
- can avail itself of the support and cooperation of the various corporate structures and corporate bodies that may be interested or otherwise involved in control activities;

- may give specific consulting assignments to professionals, including those outside the Company.

The members of the Supervisory Board identify the schedule, methods and timing for carrying out the activities assigned to them.

The operation of the Supervisory Board, with more detailed information, is indicated within the Rules and Regulations adopted by the Board.

### **6.8 Information obligations to the Supervisory Board (information flows to the O.d.V.)**

The proper performance of the functions entrusted to the Supervisory Board cannot disregard the provision of information obligations to this body deference to Article 6, paragraph 2, letter d) of Decree 231.

All parties that refer to the activity carried out by the entity must, therefore, ensure maximum cooperation by transmitting to the SB any information useful for performance of its functions.

To this end, the Society has established the dedicated e-mail address:

**odv@rosa.it**

Information flows to the SB can be distinguished into:

- information flows "triggered upon the occurrence of particular events": they concern reports of suspected or ascertained violations of the requirements contained in the Model;
- "predefined" information flows: these are concerned with information from the company figures assigned to manage the sensitive activities indicated in the Model.

In particular - by way of example but not limited to - the following information must be mandatorily and promptly transmitted to the Supervisory Board:

- Any changes to the internal structure or organizational structure of the Company;
- Any changes to the change in the business areas of the enterprise;
- Decisions related to the application for, disbursement, and use of public funds;
- measures and/or news coming from organs of the Judicial Police, or any other Authority, without prejudice, however, to the obligations of secrecy imposed by law, from which the

conducting investigations, even against unknown persons, for offenses to which Legislative Decree 231/2001 is applicable, if such investigations involve the Company or its employees or corporate bodies;

- outcomes of periodic control activities (reports, monitoring, final reports, etc.);
- news related to the effective implementation of the Organizational Model and, in general, compliance with internal rules with evidence of disciplinary proceedings carried out and any sanctions imposed or measures to dismiss such proceedings with the relevant reasons;
- periodic reporting on health and safety in the workplace (e.g., industrial hygiene investigations from which occupational diseases may result, safety investigations showing discrepancies from which accidents may result, complete Chamber of Commerce visura, safety organization chart, accidents and total duration of each event that caused absence from work, dressings that occurred in the last year, significant accidents/events that may potentially cause serious injuries, occupational disease reports and their types, report ex art. 35 Leg. 81/08 and its annexes, inspections, administrative proceedings and sanctions in the field of Health, Safety and Environment by control bodies, internal sanctions in the field of health, safety, and environment (last elapsed period) and analysis of the causes pertaining to them, copy of the accident register (last elapsed period), as well as accident statistics (semi-annually) and results of analytical monitoring in the field of environment, status of updating the DVR, variations made and their justification, planning and execution of the investigation of the safety of equipment, facilities in general and environmental investigations, accidents, significant events that may be cause for the prosecution of an environmental predicate offense, as well as the results of monitoring showing the potential occurrence of the predicate offense, periodic reports of the delegated Managers (if appointed), produced to the Employer);
- Periodic reporting on environmental issues (e.g., environmental audits, environmental analysis).

Additional information that must be transmitted on the channel to the O.d.V. is indicated in the control protocols of the special part of this Model. This is without prejudice to the right of the O.d.V. to request additional information useful for performance of the task.

Failure to receive information flows to the Supervisory Board is a violation of the Model.



## 6.9 Reporting by the Supervisory Board to the Corporate Bodies

WHEREAS, the responsibility for adopting and implementing the Model remains with the Company's Board of Directors, the Supervisory Board reports on the effectiveness and compliance of the Model, emergence of any critical aspects, and the need for amending actions.

To this end, the Supervisory Board is responsible for reporting:

- immediately to the Board of Directors upon the occurrence of established violations of the Model, with alleged commission of crimes,
- annually to the Board of Directors and for information to the Board of Auditors. The following issues are addressed as part of the annual *reporting*:
  - Controls and audits carried out by the Supervisory Board and their outcome;
  - Progress status of any projects to implement/revise the system of controls (e.g., adoption of procedures);
  - any legislative innovations or organizational changes that require updates to the Organizational Model;
  - any effectiveness of the disciplinary system in compliance with the control protocols provided for and referred to in the Model;
  - functionality of the information flow system to the Supervisory Board;
  - other information deemed significant;
  - summary assessment of the adequacy of the Model with respect to the provisions of Legislative Decree 231/2001.

The O.d.V. may request to be summoned by the Board Directors and the Board of Auditors to report with reference to the Model or specific situations.

Meetings with Corporate Bodies, to which the Supervisory Board reports, must be documented. The O.d.V. shall take care of the filing of the relevant documentation, in accordance with the provisions of this paragraph.

## 6.10 Collection and storage of information

All information transmitted to and from Supervisory Board provided for in the Organizational Model, with the exception of reports of unlawful conduct relevant under Legislative Decree 231/2001 or violations of the Organizational Model, is stored by the Supervisory Board according to the instructions received from the Data Controller.

In any , the outgoing members of the Supervisory Board must ensure that the handover of the management of the document archive takes place correctly to the new members.

## 6.11 Termination of appointment of the Supervisory Board

The causes for termination O.d.V. members are:

- expiration tenure;
- revocation/disqualification;
- renunciation;
- death.

Expiration term of office: the O.d.V. remains in office until the natural expiration date stipulated in the act of appointment (e.g., three fiscal years), unless a cause for early termination occurs.

Revocation and disqualification: revocation of the SB and any of its members is the responsibility of the directors only. Causes of disqualification occur when a member loses any of the requirements of autonomy, independence, honorability, professionalism.

In particular, the following constitute grounds for disqualification/ineligibility:

- disqualification or incapacitation, or a serious infirmity that renders the member unfit to perform his or her supervisory duties, or an infirmity that, in any case, results in his or her absence for a period exceeding six months;
- the assignment functions and responsibilities to the O.d.V., or the occurrence of events incompatible with the O.d.V.'s requirements of autonomy and initiative and control, independence and continuity of action;
- the failure to meet the required professionalism requirements (e.g., removal from the Register of Certified Public Accountants and Bookkeepers);
- A serious dereliction of duty;
- a first-degree conviction of the Entity under the Decree, or criminal proceedings concluded through plea bargaining; where it appears from the records "the omitted or insufficient supervision" by the control body, in accordance with provisions of Article 6, paragraph 1, letter D) of the Decree;
- a conviction, even if not final, against the member of the O.d.V. for having personally committed one of the crimes provided for in the Decree;
- a final judgment of conviction against the member of the O.d.V. a penalty involving disqualification, including temporary disqualification from public office or temporary disqualification from the executive offices of legal persons and companies.

Resignation: the O.d.V. member is free to resign from the position at any time, such as by voluntary resignation.

It is advisable that the waiver be in writing or appear in the corporate records, be substantiated, and be made with adequate notice so as not to cause harm to the institution.

The communication must be addressed by any means that allows certainty of receipt to the administrative body including, for example, through confirmation by the recipients.

For more details, please refer to the Regulations adopted by the Supervisory Board.

## **7 WHISTLEBLOWING SYSTEM (PURSUANT TO LEGISLATIVE DECREE 24/2023)**

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### **7.1 Whistleblowing Reports (pursuant to Legislative Decree 24/2023)**

The Company, in order to ensure responsible management and in line with legislative requirements, has implemented a system for reporting irregularities and violations (so-called **Whistleblowing System**).

This system is adapted to the regulatory changes made by Legislative Decree 24/2023 on *"Implementation of Directive (EU) 2019/1937 of the European Parliament and of the Council of October 23, 2019 on the protection of persons who report breaches of Union law and on provisions concerning the protection of persons who report breaches of national laws."*

Specifically, Rosa Ermando falls within the subjective scope of Legislative Decree 24/2023 as an entity in the private sector sector that has adopted the Organizational Model in accordance with Legislative Decree 231/2001 and with an average number of workers exceeding 50 (Art. 2, Paragraph 1, Letter q, Number 3 of Legislative Decree 24/2023).

They constitute relevant violations Article 3, Paragraph 2 (b) of Legislative Decree 24/2023:

- illicit conduct relevant under Legislative Decree 231/2001, or violations of the organization and management models provided therein, which do not fall within the types of reporting Article 2, paragraph 1, letter a), numbers 3), 4), 5), 6);
- Offenses that fall within the scope of application of the acts of the European Union or nations indicated in the Annex to Legislative Decree. 24/2023 or of the national acts that constitute implementation of the acts of the European Union indicated in the Annex to Directive (EU) 2019/1937, relating to the following areas: public procurement; services, products and financial markets and prevention of money laundering and financing of terrorism; product safety and compliance; transport safety;\_ environmental protection; radiation protection and nuclear safety; food and feed safety and animal health and welfare; public health; consumer protection; privacy and personal data protection and security of networks and information systems;

- acts or omissions affecting the financial interests of the Union referred to Article 325 of the Treaty on the Functioning of the European Union specified in the relevant secondary legislation of the European Union;
- acts or omissions concerning the internal market, as referred to in Article 26(2) of the Treaty on the Functioning of European Union, including violations of EU competition and state aid rules, as well as violations concerning the internal market related to acts that violate corporate tax rules or mechanisms whose purpose is to obtain a tax advantage that frustrates the object or purpose of the applicable corporate tax law;
- Acts or conduct that frustrate the object or purpose of the provisions set forth in the acts of the European Union in the areas indicated Article 2, paragraph 1, numbers 3), 4), 5) Legislative Decree 24/2023.

The above violations must be reported through the following channels, identified residually and phased among them as further described below:

1. Internal reporting channels activated by Rosa Ermando,
2. External reporting channel activated by ANAC,
3. public disclosure.

In the first , the violations described above should be reported using the following alternative **internal reporting channels**:

Platform  
<https://rosaermandospa.parrotwb.app/>

or

Face-to-face meeting via  
 Rec. A/R addressed to  
 Team *Whistleblowing* at  
 Labor Project  
 Via Brianza, no. 65 - 22063  
 Cantù (CO)

that guarantee, including through the use of encryption tools, the confidentiality of the identity of the reporting person, the person involved and the person in any case mentioned in the report, as well as the content of the report and its documentation (Art. 4 Legislative Decree 24/2023).

Management of the reporting channel is entrusted to **the Labor Project S.r.l. Whistleblowing Team**, an autonomous external body with specifically trained staff.

Information on reporting channels is displayed and made easily visible in workplaces and published on the Company's website (Art. 5(e), Legislative Decree 24/2023).

Second, only if the conditions stipulated in Article 6 of Legislative Decree 24/2023 are met, namely:

- there is no compulsory activation of the internal reporting channel, or the channel, even if compulsory, is not active or, even if activated, does not comply with the provisions of Article 4;
- the reporting person has already made an internal report Article 4 and it has not been followed up;
- the reporting person has reasonable grounds to believe that, if he or she made an internal report, the report would not be effectively followed up or that the report itself might result in the risk of retaliation;
- the reporting person has reasonable grounds to believe that the violation may pose an imminent or obvious danger to the public interest;

the reporting person can make an external report through the following **external reporting channel activated by ANAC:**

<https://whistleblowing.anticorruzione.it/#/>

Finally, in the event that the conditions of Article 15 of Legislative Decree 24/2023 are met and, in particular:

- the reporting person has previously made an internal and external report or has made an external report directly and no response has been made within the prescribed time limit
- the reporting person has reasonable grounds to believe that the violation may pose an imminent or obvious danger to the public interest

the reporting person has well-founded reason to believe that the external report may involve risk of retaliation or may not be effectively followed up because of the specific circumstances of the particular case, such as those where evidence may be concealed or destroyed or where there is a well-founded fear that the person who received the report may be colluding with or involved in violation; the reporting person may make a **public disclosure**.

Recall the importance of involving the O.d.V. in the process of handling whistleblowing reports, even where the O.d.V. is not tasked with the duties of handling reports. In particular, the O.d.V. should receive:

- i) immediate communication on relevant reports in terms of 231, so that, in the exercise of its supervisory activities, it can share any observations and participate in the investigation or otherwise its progress;

- ii) a periodic update on the overall whistleblowing management activity, including non-231 whistleblowing, in order to verify the functioning of the whistleblowing system and propose to the entity any need for its improvement.

## 7.2 Protecting the reporter

Pursuant Article 4 of Legislative Decree 24/2023, reporting channels must ensure the confidentiality of the reporting person, the person involved and the person in any case mentioned in the report, as well as the content of the report and related documentation.

Pursuant to Article 12 of Legislative Decree. 24/2023, the identity of the reporting person and any other information from which such identity may be inferred, directly or indirectly, may not be disclosed, without the express consent of the reporting person, to persons other than those responsible for receiving or following up the reports, who are expressly authorized to process such data in accordance with Articles 29 and 32(4) of Regulation (EU) 2016/679 Article 2-quaterdecies of the Code on the Protection of Personal Data under Legislative Decree No. 196 of June 30, 2003.

In the context of judicial or administrative proceedings or otherwise extrajudicial disputes having as their object the ascertainment of the conduct, acts or omissions prohibited under Article 17 of Legislative Decree 24/2023 against the persons referred to in Article 3, paragraph 1, it shall be presumed that the same have been put in place as a result of the reporting, public disclosure or complaint to the judicial or accounting authority. The burden of proving that such conduct or acts are motivated by reasons unrelated to the reporting, public disclosure, or complaint is on the person who put them in place.

Any form of retaliation against the whistleblower is prohibited: such forms of retaliation are null and void pursuant to Article 19, paragraph 3 Legislative Decree 24/2023. Entities and individuals who have suffered a form of retaliation may notify ANAC of the retaliation they believe they have suffered: ANAC must immediately inform the Civil Service Department at the Presidency of the Council of Ministers and any guarantee or disciplinary bodies, for measures within their competence.

A list of Third Sector entities that provide reporting persons with support measures consisting of information, assistance and advice on is public on ANAC website:

- mode of reporting,
- protection from retaliation,
- Rights of the person involved,
- Terms and conditions of access to aid.

### **7.3 Penalties against those who violate the so-called "Whistleblowing System"**

In the event of non-compliance with regulations, ANAC shall apply the following administrative pecuniary sanctions to the person in charge under Article 21, paragraph 1, Legislative Decree 24/2023:

- a) 10,000 to 50,000 euros when it determines that retaliation has been committed or when it determines that reporting has been obstructed or attempted to be obstructed or that the obligation of confidentiality set forth in Article 12 Legislative Decree 24/2023 has been violated;
- b) 10,000 to 50,000 euros when it ascertains that reporting channels have not been established, that procedures for making and handling reports have not been adopted, or that the adoption of such procedures does not comply with those referred to in Articles 4 and 5, as well as when it ascertains that the activity of verification and analysis of the reports received has not been carried out;
- c) 500 to 2,500 euros, in the case referred to Article 16, paragraph 3, unless the reporting person has been convicted, even in the first instance, of the offenses of defamation or slander or otherwise for the same offenses committed with the report to the judicial or accounting authority.

In addition, the Company may apply the disciplinary sanctions analyzed in the following paragraphs of Chapter 8, to the respective perpetrators of the violation of the so-called "Whistleblowing System" and, in particular, in case of:

- violation of the reporter's confidentiality obligations;
- violation of the prohibition against retaliatory or discriminatory acts;
- reports of violations that are found to be groundless and made with malice or gross negligence;
- assessment, even by a judgment of first instance, of the reporting person's criminal liability for the crimes of defamation or slander or in any case for the same crimes committed with the report to the judicial or accounting authority, or his civil liability, for same title, in cases of malice or gross negligence.

## **8 DISCIPLINARY AND PENALTY SYSTEM**

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### **8.1 Function of the disciplinary system**

Art. 6, paragraph 2, lett. e) art. 7, paragraph 4, lett. b) L.D. 231/2001 indicate, as a condition for effective implementation of the Organization, Management and Control Model, the introduction of an appropriate system for sanctioning non-compliance with the measures indicated in the model itself. Therefore, the establishment of an adequate disciplinary and penalty system is an essential prerequisite for effectiveness of the Organization, Management and Control Model pursuant to Legislative Decree 231/2001.

The sanctions provided for will be applied to any violation of the provisions contained in the Model and the Code of Ethics (which it is recalled is an integral part of it), as well as the regulatory provisions contained in Article 21, paragraph 1, Legislative Decree 24/2023, regardless of the course and outcome of any criminal proceedings initiated by the judicial authorities, in the event that the conduct to be censured integrates the extremes of a crime relevant under Legislative Decree 231/2001.

In any , the sanction is independent of the commission of the offense and is attested as the Company's reaction to the failure to comply with procedures or rules of conduct referred to in the Model.

## **8.2 Measures against employees**

Compliance with the provisions and rules of conduct set forth in the Model constitutes fulfillment by Rosa Ermando employees of the obligations set forth in Article 2104, paragraph 2, of the Civil Code; obligations of which the contents of the same Model are a substantial and integral part.

Violation of the individual provisions and rules of conduct set forth in the Model by Rosa Ermando employees always constitutes a disciplinary offense.

Disciplinary and punitive measures may be imposed on Rosa Ermando's employees in accordance with provisions of Article 7 of Law No. 300 of May 20, 1970 (the so-called "Workers' Statute") and any applicable special regulations.

For non-management level employees, these measures are those stipulated in the disciplinary rules set forth in the collective bargaining agreement applied by the Company, namely, depending on the seriousness of the infractions:

- verbally inflicted reprimand;
- Recall inflicted in writing;
- Fine in an amount not exceeding the amount of 3 hours of normal pay;
- Suspension from work and pay for a period not exceeding 10 days of actual work;
- Disciplinary dismissal.

The disciplinary system outlined also applies in the event of a violation of the whistleblowing , pursuant to Article 21 of Legislative Decree 24/2023, for private sector entities referred to Article 2, paragraph 1, letter q), number 3) of Legislative Decree 24/2023.

Regarding the conduct required by the Model, it is specified, by way of example, that it constitutes a serious offense:

- Failure to comply with information obligations to the Supervisory Board;
- Failure to participate in Company-sponsored training initiatives;



- The commission, even in the form of an attempt, of a crime provided for in Legislative Decree 231/2001 in the performance of their duties;
- Failure to comply with the rules prescribed by the Model.

On each report of a violation of the Model, disciplinary action will be initiated aimed at ascertaining the violation itself. In particular, in the investigation phase, the employee will be notified in advance of the charge and will also be granted an adequate period of time to respond in order to defend himself. Once the violation has been ascertained, a disciplinary sanction proportionate to seriousness of the violation committed and any recidivism will be imposed on the perpetrator.

It is understood that the procedures, provisions, and safeguards provided for Article 7 of the Workers' Statute and in the covenant regulations on disciplinary measures will be respected.

Every act related to disciplinary procedure must be communicated to the Supervisory Board its evaluations and monitoring.

### **8.3 Measures against managers**

When the violation of the provisions and rules of conduct referred to in the Model is carried out by executives, the measure deemed most appropriate - including dismissal - will be applied against those responsible, in accordance with the provisions of the Civil Code, the Workers' Statute and the collective bargaining agreement regulations.

As a specific sanction, the Supervisory Board may also propose the suspension of any powers of attorney granted to the executive himself.

The Supervisory Board must always be informed about any procedure for imposing sanctions for violation of the Model.

### **8.4 Measures against administrators**

The Supervisory Board, upon receiving a report of violation of the provisions and rules of conduct of the Model by members of the Board of Directors, shall promptly inform the Board of Auditors and the entire Board of Directors of the incident. The recipients of the information from the Supervisory Board, having assessed the merits of the report and carried out the necessary investigations, may take, in accordance with the provisions of the Articles of Association, the appropriate measures including, if , convening the shareholders' meeting, in order to take the most appropriate measures provided by law.

It is specified, by way of example, that it constitutes a breach of directors' duties:

- The commission, even in the form of an attempt, of a crime provided for in Legislative Decree 231/2001 in the performance of their duties;
- Failure to comply with the rules prescribed by the Model;
- Failure to comply with information obligations to the Supervisory Board;
- Failure to participate in Company-sponsored training initiatives;
- Failure to supervise the Company's employees or partners regarding compliance with the Model and the rules referred to therein;
- tolerance of wrongdoing committed by the Company's employees or partners.

Every act related to the sanctioning process must be communicated to the Supervisory Board its evaluations and monitoring.

### **8.5 Measures against mayors**

The Supervisory Board, upon receiving a report of a violation of the provisions and rules of conduct of the Model by one or more auditors, shall promptly inform the entire Board of Auditors and the Board of Directors of the incident.

The recipients of the information from the Supervisory Board, having assessed the merits of the report and carried out the necessary investigations, may take, in accordance with the provisions of the Articles of Association and the Law, the appropriate measures including, for example, convening the shareholders' meeting, in order to take the most appropriate measures provided by law.

### **8.6 Measures towards business partners, consultants and external collaborators**

Any behavior engaged in by collaborators, consultants or other third parties linked to the Company by a non-employee contractual relationship, in violation of the provisions of Legislative Decree 231/2001 and/or the Code of Ethics for the parts within their competence, may determine upon assessment and decision of the Company, the application of penalties or the termination of the contractual relationship, without prejudice to any claim for compensation if damage to the Company results from such behavior, even independently of the termination of the contractual relationship.

To this end, provision has been made for the inclusion within contracts (of supply, collaboration, contract, etc.) of specific clauses requiring the assumption of a commitment to comply with regulations and rules indicated in the Code of Ethics and governing the consequences in the event of their violation. With such clauses, the third party undertakes to comply with the principles contained in the Company's Code of Ethics and to behave in such a way as to prevent the commission, even attempted commission, of the offenses provided for in Legislative Decree 231/2001.

In connection with contracts, there is provision for the transmission of special letters of commitment by which the counterparties undertake to comply with the above-mentioned principles.

The Supervisory Board shall be informed of objections and measures against collaborators, consultants, agents, dealers and third parties in general resulting from the violation of the above clause.

### **8.7 Measures against those who violate whistleblower protection measures and those who maliciously or grossly negligently carry out violations that turn out to be unfounded - referral**

The disciplinary sanctions analyzed in the previous paragraphs of Chapter 7, will also be applied to the respective perpetrators of the violation of the so-called "Whistleblowing System." For the broader discussion see supra section 7.3.

## **9 TRAINING AND COMMUNICATION PLAN**

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Although there is no specific provision within Legislative Decree 231/2001, the guidelines developed by the Associations have from the outset made it clear that communication to personnel and their training are two fundamental requirements of the Model for its proper functioning.

order to effectively implement this Model, Rosa Ermando ensures proper dissemination of its contents and principles, as well as those of the Code of Ethics, both inside and outside its organization.

The activity of communication and training is diversified according to the recipients to whom it is addressed, but it must be, in any , marked by principles of timeliness, efficiency (completeness, clarity, accessibility) and continuity in order to enable the various recipients to be fully aware of those corporate provisions they are required to comply with and of the ethical standards that must inspire their behavior.

Training/information to employees is provided at two different levels and for substantially different purposes:

- dissemination of the contents of Legislative Decree 231/2001 to top management and individuals involved in the exercise of the activities identified as "sensitive" in the mapping phase, in order to make them responsible and aware of the seriousness of the consequences arising from the commission of illegal behavior.

- dissemination to all personnel (as identified from time to time) of the components that characterize the Model adopted by the Company (Code of Ethics, Supervisory Board, information flows to the Supervisory Board, disciplinary system, specific protocols and other company directives, proxies and powers of attorney, etc.).

Each employee is required to:

- i) Gain awareness of the contents of the Model made available to him;
- ii) Know the operating methods by which their activities must be carried out.

Employees must be guaranteed the possibility of accessing and consulting the documentation constituting the Model, the control protocols and the company procedures referable to it. In addition, in order to facilitate understanding of the Model, employees, in ways that vary according to their degree of involvement in activities identified as sensitive under Legislative Decree 231/2001, are required participate in specific training activities that will be promoted by the Company.

The Company will adopt appropriate communication tools to update employees about any changes to this Model, as well as any relevant procedural, regulatory or organizational changes.

Participation in training programs is mandatory for all training recipients and is documented and archived.

## **10 ADOPTION OF THE MODEL - CRITERIA FOR UPDATING AND ADJUSTING THE MODEL**

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The O.d.V. is responsible for making proposals for updating the Model to the administrative body.

The administrative body deliberates on the updating of the Model and its adjustment in relation to changes and/or additions that may become necessary and promptly communicates them to the Supervisory Board.

The following hypotheses are commonly identified upon the occurrence of which there is a need to update the Model:

- Significant changes the internal structure of the Company and/or the way business activities are carried out (e.g., opening of new business areas, contraction of business,

acquisition of a business involving diversification of the activities carried out by the enterprise, recruitment of personnel specialized in participation in public tenders;

- Regulatory changes: the introduction by the Legislature of new offenses under Legislative Decree 231/2001 entails the need to verify whether the entity has sensitive areas within which there is a potential risk of the commission of these new offenses;
- Significant violations of the requirements of the Model: violations are significant when, in order to ensure the effectiveness of the Model, it is not sufficient to intervene through disciplinary action against the persons who violated the rules, but it is necessary to make changes to the Model itself.