



**ORGANISATION,  
MANAGEMENT AND CONTROL MODEL  
PURSUANT TO ITALIAN LEGISLATIVE DECREE NO.  
231/2001**

**GENERAL PART**

**APPROVED BY RESOLUTION OF THE BOARD OF DIRECTORS**

**ON 28 SEPTEMBER 2023**

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# INTRODUCTION

This document has been drawn up pursuant to and for the purposes of Italian Legislative Decree no. 231 of 8 June 2001, in order to describe in an organised form the rules, standards of conduct and controls governing the organisation and management of Rummo S.p.A.

This document, together with all its annexes, was approved by the Board of Directors on 28 September 2023. It is an update of the Organisation, Management and Control Model, in which the changed organisational context has been taken into account and the latest indications of case law and best practice have been incorporated.

The Organisation, Management and Control Model was adopted for the first time by Rummo S.p.A. by resolution of the Board of Directors on 3 August 2015; it was then subsequently updated through resolutions of the Board of Directors of 10 July 2019 and 21 October 2021.

During the process of updating its Model, Rummo S.p.A. also updated the Code of Ethics.

# 1 INTRODUCTION

## 1.1. Foreword

For the first time in the Italian legal system, Italian Legislative Decree no. 231 of 2001 introduced the regulation of the administrative liability of entities in addition to the liability of the natural person who materially committed the unlawful act.

On the basis of this new regulation, the entity is liable for criminal offences committed by its senior management ("senior" parties) or even by employees ("subordinates"), provided that they acted in the interest or to the advantage of said entity.

There will be no liability if the entity demonstrates that it has adopted an organisation, management and control model to the extent that the action was committed by a single person in breach of company provisions.

The adoption of organisational and management models and the creation of supervisory bodies tasked with overseeing the functioning and observance of the model are suitable means of preventing crimes committed by senior management and subordinates and can mean that the liability of the party who committed the crime cannot be extended to the company.

In any case, there will be no administrative liability of the company if the senior management and/or their subordinates have acted in their own exclusive interests or the interests of third parties.

## 1.2. Purpose of the Document

This document constitutes and describes the Organisational Model for the prevention of the criminal offences envisaged in the Decree.

RUMMO S.p.A. - mindful of the need to ensure conditions of fairness and transparency in the conduct of its business and company activities, to protect its own position and image, the expectations of its shareholders and the work of its employees - has deemed it consistent with its corporate policies to first implement and then update the organisation and management model envisaged by Italian Legislative Decree no. 231/2001 (hereinafter referred to as the "Model").

This initiative was taken in the belief that the adoption of such a Model - beyond the provisions of the Decree, which indicate the Model itself as an optional and non-mandatory element - can be a valid tool for raising awareness among all those who operate in the name and on behalf of RUMMO S.p.A., so that, in the performance of their activities, they act properly and consistently in a way that prevents the risk of committing the criminal offences envisaged in the Decree.

The purpose of the Model is to build a structured and organic system of procedures together with organisational tools and control activities to implement the provisions of the decree.

## 1.3. Scope of application

This Organisational Model is applicable to the company RUMMO S.p.A. in Benevento (Italy), via dei Grandi Maestri Pastai, 1, Tax Code and VAT number 01418030621.

The recommendations and provisions of this document apply to all employees of Rummo S.p.A., persons with senior management positions and subordinate persons, as well as to any external figures (both natural and legal persons) within the limits of the actions and activities managed under contract.

This document will be subject to periodic review by Rummo S.p.A. according to changes in the system of governance of company processes, and to ensure timely compliance with the relevant legal regulations and additions and changes to them.

## 2 THE REGULATORY FRAMEWORK OF ITALIAN LEGISLATIVE DECREE 231/01

### 2.1 Introduction

Italian Legislative Decree no. 231 (hereinafter, “Legislative Decree 231/2001”), in implementation of the mandate conferred on the Government by article 11 of Law no. 300 of 29 September 2000, set out the regulations on the “liability of entities for administrative offences resulting from a crime”.

Specifically, these regulations apply to entities with legal personality and companies and associations, including those without legal personality.

Italian Legislative Decree 231/2001 was primarily based on a number of international and EU conventions ratified by Italy that require forms of liability of collective entities for certain types of offences.

Indeed, under the regulations introduced by Italian Legislative Decree 231/2001, companies can be held “liable” for certain offences committed or attempted, in the interest or to the advantage of the company itself, by members of the company’s senior management (so-called parties “in senior management” or simply “senior management”) or by those who are subject to the management or supervision of the latter (article 5, paragraph 1, of Italian Legislative Decree 231/2001).

The administrative liability of companies is independent of the criminal liability of the natural person who committed the criminal offence and is in addition to the latter.

This broadening of liability essentially aims to involve in the punishment of certain offences the assets of companies and, ultimately, the economic interests of shareholders, who, until the entry into force of the decree in question, did not suffer direct consequences from the commission of offences committed, in the interest or to the advantage of their company, by directors and/or employees.

Italian Legislative Decree 231/2001 introduced a new aspect to the Italian legal system in that companies can now be directly and autonomously subject to both financial and injunctive sanctions in relation to criminal offences attributed to persons functionally linked to the company pursuant to article 5 of the decree.

The administrative liability of the company is, however, excluded if it has adopted and effectively implemented, before the offences were committed, organisational, management and control models suitable for preventing the offences themselves; these models may be adopted on the basis of codes of conduct (guidelines) drawn up by associations representing companies and communicated to the Ministry of Justice.

In any case, there shall be no administrative liability of the company if the senior management and/or their subordinates have acted in the exclusive interest of themselves or of third parties.

### 2.2 Nature of the liability

With reference to the nature of administrative liability pursuant to Italian Legislative Decree 231/2001, the Explanatory Report to the decree emphasises the *“establishment of a third category that combines the essential features of the criminal and the administrative systems in an attempt to reconcile the reasons for*

*preventive effectiveness with those, even more essential, of providing a maximum guarantee”*.

Italian Legislative Decree 231/2001 has in fact introduced a form of “administrative” liability for companies – in compliance with the provisions of article 27 of our Constitution – but with numerous points of contact with a “criminal” type of liability.

Mention is made, in this regard, of Articles 2, 8, and 34 of Italian Legislative Decree 231/2001, which are among the most significant. The first article reasserts the principle of legality typical of criminal law; the second affirms the autonomy of the entity's liability with respect to the liability of the natural person responsible for the criminal conduct; the third provides that this liability, depending on the commission of a criminal offence, is ascertained in the context of criminal proceedings and is, therefore, supported by the guarantees of criminal proceedings. The punitive nature of the sanctions applicable to the company should also be considered.

## 2.3 Recipients

According to the provisions of Italian Legislative Decree no. 231/2001, the Company shall be liable for offences committed in its interest or to its advantage:

- by “persons who hold representative, administrative or management functions of the entity or one of its organisational units with financial and functional autonomy as well as persons who exercise, even on a de facto basis, the management and control of the entity itself” (defined as “senior management” or “senior”; article 5, paragraph 1, letter a), of Italian Legislative Decree 231/2001);
- by “persons subject to the management or supervision of one of the senior management (the so-called “persons subject to the management or supervision of others”; article 5, paragraph 1, letter b), of Italian Legislative Decree 231/2001).

It is also appropriate to reiterate that the company shall not be liable, by express legislative provision (article 5, paragraph 2, of Italian Legislative Decree 231/2001), if the persons indicated above acted in their own exclusive interests or in the interests of third parties.

## 2.4 Criminal offences

The criminal offences for which the entity can be held liable pursuant to Italian Legislative Decree 231/2001 – if committed in its interest or to its advantage by the parties classified under article 5, paragraph 1, of the decree – were initially identified as those against the Public Administration and the so-called “corporate criminal offences”.

Over the years, the original framework has changed considerably and the law has introduced new predicate offences including the current formulation described in more detail in the document **“Guide to the offences envisaged by Italian Legislative Decree no. 231/2001”**, also an integral part of the 231 system adopted by Rummo S.p.A.

## 2.5 Sanctions system



The following are envisaged by Italian Legislative Decree 231/2001 for the company as a result of the commission or attempted commission of the criminal offences mentioned above:

- financial penalties up to a maximum of €1,549,370.69 (and attachment as injunctive relief);
- injunctive sanctions (also applicable as precautionary measures) with a duration of no less than three months and no more than two years (with the specification that, pursuant to article 14, paragraph 1, of Italian Legislative Decree 231/2001, *“the sanctions are geared towards the specific activity to which the offence of the entity refers”*) which, in turn, may consist of:
  - prohibition on exercising the activity;
  - suspension or revocation of authorisations, licenses or permits that are functional to the commission of the offence;
  - prohibition on contracting with the public administration;
  - exclusion from subsidies, loans, grants or subsidies and the possible revocation of those awarded;
  - prohibition on advertising goods or services;
- confiscation (and, as a precautionary measure, attachment);
- publication of the ruling (in case of application of injunctive measures).

The monetary sanction shall be determined by the criminal judge through a system based on “quotas” in a number of no less than one hundred and no more than one thousand and for an amount ranging from a minimum of €258.22 to a maximum of €1,549.37. In the calculation of the monetary sanction, the judge shall determine:

- the number of quotas, taking into account the seriousness of the offence, the degree of liability of the company as well as the activity carried out to eliminate or mitigate the consequences of the event and prevent the commission of further offences;
- the amount of the individual quota, based on the financial and equity situation of the company.

The injunctive sanctions shall only apply to offences for which they are expressly provided for and provided that at least one of the following conditions is met:

- the company derived a significant profit from the commission of the offence and the offence was committed by persons in senior positions or by persons subject to the management of others when, in the latter case, the commission of the offence was determined or facilitated by serious organisational shortcomings;
- in the event of a recurrence of the offences.

The judge shall determine the type and duration of the injunctive sanction taking into account the suitability of the individual sanctions to prevent offences of the type committed and, if necessary, may apply them jointly (article 14, paragraph 1 and paragraph 3, Italian Legislative Decree 231/2001).

The injunctive sanctions prohibiting the exercise of the business activity, the prohibition on contracting with the public administration and the prohibition on advertising goods or services may be applied - in the most serious cases - on a definitive basis.

It should also be noted that the company may continue its business (in place of the imposition of the sanction) by a commissioner appointed by the judge pursuant to and under the conditions set forth in article 15 of Italian Legislative Decree 231/2001.

## **2.6 Attempted criminal offences**

In the event of the commission, in the form of an attempt, of criminal offences that are relevant for the purposes of the administrative liability of the entities, the monetary sanctions (in terms of amount) and injunctive sanctions (in terms of time) shall be reduced by one third to one half, while no sanctions may be imposed in cases where the entity voluntarily prevents the execution of the action or the realisation of the event (article 26 of Italian Legislative Decree 231/2001).

The exclusion of sanctions is justified, in this case, by virtue of the interruption of any relationship of identification with or connection between the entity and persons who act in its name and on its behalf.

This is a particular case of the so-called “active withdrawal”, envisaged by article 56, paragraph 4, of the Italian Criminal Code.

## **2.7 Events that change the entity**

Italian Legislative Decree no. 231/2001 governs the entity’s financial liability regime, also in relation to changes in the entity such as transformation, mergers, demergers or sale of the company.

According to article 27, paragraph 1, of Italian Legislative Decree 231/2001, the entity is liable for the obligation to pay the monetary sanction with its assets or with the mutual funds where the notion of assets must refer to companies and entities with legal personality, while the notion of “mutual funds” concerns unrecognised associations.

This provision constitutes a form of protection in favour of the shareholders of partnerships and members of associations, avoiding the risk that they may be called upon to respond with their personal assets for the obligations deriving from the imposition of financial penalties on the entity.

The provision in question also makes clear the intention of the Legislator to identify liability of the independent entity with respect to both the perpetrator of the crime (see, in this regard, article 8 of Italian Legislative Decree 231/2001) but also with respect to individual members of the corporate structure.

Articles 28-33 of Italian Legislative Decree 231/2001 govern the impact on the liability of the entity of changes connected with transformation, mergers, demergers or sale of the company. The Legislator has taken into account two opposing requirements:

- on the one hand, to prevent such transactions from being a tool for easily evading the administrative liability of the entity;

- on the other hand, not to penalise reorganisation actions that do not have evasive intentions. The Explanatory Report pursuant to Italian Legislative Decree 231/2001 states *“The general criterion followed in this regard was to govern the fate of financial penalties in accordance with the principles dictated by the Italian Civil Code with regard to the entirety of the other debts of the original entity, while maintaining, on the other hand, the connection of the injunctive sanctions with the business unit in the context of which the criminal offence was committed”*.

In the event of transformation, article 28 of Italian Legislative Decree 231/2001 provides (in line with the nature of this concept which implies a simple change in the type of company, without causing the extinction of the original legal entity) that the liability of the entity for the offences committed prior to the date on which the transformation took effect remains unchanged.

In the event of a merger, the entity resulting from the merger (including by incorporation) is liable for the offences for which the entities participating in the merger were responsible (article 29 of Italian Legislative Decree 231/2001). The merged entity, in fact, assumes all the rights and obligations of the companies participating in the merger (article 2504-bis, first paragraph, of the Italian Civil Code) and, making the business activities its own, also incorporates those within the scope of which the criminal offences for which the companies participating in the merger would have been liable were committed.

Article 30 of Italian Legislative Decree 231/2001 provides that, in the event of a partial demerger, the demerged company shall remain liable for criminal offences committed prior to the date on which the demerger took effect.

The entities benefiting from the demerger (both total and partial) shall be jointly and severally liable to pay the monetary sanctions due from the demerged entity for offences committed prior to the date on which the demerger took effect, within the limit of the actual value of the shareholders' equity transferred to the individual entity.

This limit does not apply to the beneficiary companies, to which the branch of activity in which scope the offence was committed is devolved, even if only in part.

The injunctive sanctions relating to offences committed prior to the date on which the demerger took effect apply to the entities to which the business segment in which the offence was committed remained or was transferred, even in part.

Article 31 of Italian Legislative Decree 231/2001 provides for provisions common to mergers and demergers, concerning the determination of sanctions in the event that such extraordinary transactions take place before the conclusion of the proceedings. In particular, the principle whereby the judge must gauge the monetary sanction shall be clarified according to the criteria set forth in article 11, paragraph 2, of Italian Legislative Decree 231/2001, referring in any case to the financial and equity conditions of the entity originally liable, and not to those of the entity to which the sanction should be imposed following the merger or demerger.

In the event of an injunctive sanction, the entity that will be liable following the merger or demerger may ask the judge to convert the injunction to a financial sanction, provided that:

- the organisational fault that made it possible to commit the criminal offence has been eliminated;
- the entity has compensated for the damage and made available (for confiscation) any portion of profit achieved.

Article 32 of Italian Legislative Decree 231/2001 allows the judge to take into account the convictions already inflicted against the entities participating in the merger or the demerged entity in order to configure the recurrence, pursuant to article 20 of Italian Legislative Decree 231/2001, in relation to the offences of the entity resulting from the merger or beneficiary of the demerger, relating to offences committed subsequently.

For the cases of sale and transfer of business, a single regulation is envisaged (article 33 of Italian Legislative Decree 231/2001), modelled on the general provision of article 2560 of the Italian Civil Code; the transferee, in the event of transfer of the company in which the offence was committed, shall be jointly and severally obliged to pay the monetary sanction imposed on the transferor, with the following limitations:

- without prejudice to the benefit of the prior enforcement of the transferor;
- the liability of the transferee is limited to the value of the business transferred and the financial penalties resulting from the obligatory accounting ledgers or due for administrative offences of which it had knowledge.

On the contrary, the injunctive sanctions imposed on the transferor shall not be extended to the transferee.

## **2.8 Criminal offences committed abroad**

According to article 4 of Italian Legislative Decree 231/2001, the entity may be held liable in Italy in relation to criminal offences - relevant for the purposes of the administrative liability of entities - committed abroad.

The Explanatory Report pursuant to Italian Legislative Decree 231/2001 emphasises the need not to leave a frequently occurring criminal situation unpunished, also in order to avoid easy evasion of the entire regulatory framework in question.

The prerequisites (envisaged by the law or inferred from the entirety of Italian Legislative Decree 231/2001) on which liability of the entity is based for criminal offences committed abroad are:

- the offence must be committed abroad by a person functionally linked to the entity, pursuant to article 5, paragraph 1, of Italian Legislative Decree 231/2001;
- the entity must have its main office in the territory of the Italian State;
- the entity may be liable only in the cases and under the conditions envisaged by articles 7, 8, 9 and 10 of the Italian Criminal Code (in cases where the law provides that the offender - natural person - is punished at the request of the Minister of Justice, proceedings shall be brought against the entity only if the request is also formulated against the entity itself). The reference to articles 7-10 of the Italian Criminal Code is to be taken in conjunction with the provisions of articles 24 to 25-novies of Italian Legislative Decree 231/2001, so that - also in compliance with the principle of legality pursuant to article 2 of Italian Legislative Decree 231/2001 - in relation to the series of offences mentioned in Articles 7-10 of the Italian Criminal Code, the company may only be liable for those for which its liability is envisaged by an ad hoc legislative provision;
- if the cases and conditions referred to in the aforementioned articles of the Criminal Code are met, the State of the place in which the offence was committed shall not take action against the entity.

## 2.9 Procedure for ascertaining the offence

Liability for administrative offences deriving from a crime shall be ascertained in criminal proceedings. In this regard, article 36 of Italian Legislative Decree 231/2001 provides that *“The jurisdiction to decide on the administrative offences of the entity belongs to the criminal judge competent for the offences on which they depend. For the proceedings for the assessment of the administrative offence of the entity, the provisions on the composition of the court and the related procedural provisions relating to the offences on which the administrative offence depends shall be observed”*.

Another rule, inspired by reasons of effectiveness, homogeneity and expedition of the judicial process, is to merge proceedings on an obligatory basis: the proceedings against the entity must remain linked, as far as possible, to the criminal trial initiated against the natural person who committed the crime at the basis of the entity's liability (article 38 of Italian Legislative Decree 231/2001).

This rule is reconciled in the dictates of article 38, paragraph 2, of Italian Legislative Decree 231/2001, which, vice versa, governs cases in which proceedings are carried out separately for the administrative offence.

The entity shall participate in the criminal proceedings with its legal representative, unless the latter is charged with the crime on which the administrative offence depends; when the legal representative does not appear, the entity shall be represented by a defending attorney (article 39, paragraphs 1 and 4, of Italian Legislative Decree 231/2001).

## 2.10 Organisation and management models

A fundamental aspect of Italian Legislative Decree 231/2001 is the attribution of exempting value to the organisation, management and control models of the company. In the event of an offence committed by a person in a senior position, the company shall not be liable if it proves that (article 6, paragraph 1, of Italian Legislative Decree 231/2001):

- a) the management body has adopted and effectively implemented, before the commission of the offence, organisational and management models that can prevent offences of the type that occurred;
- b) the task of supervising the functioning and compliance of the models and ensuring their updates has been entrusted to a body of the company with autonomous powers of initiative and control;
- c) the persons committed the offence by fraudulently evading the organisation and management models;
- d) there was no omitted or insufficient supervision by the Supervisory Body.

The company must, therefore, demonstrate its extraneousness to the facts claimed against the senior management by proving the existence of the above-listed competing requirements and, consequently, the fact that the commission of the offence does not derive from its own “organisational fault”.

On the other hand, in the case of an offence committed by parties subject to the management or supervision of others, the company shall be liable if the commission of the offence was made possible by breach of the management or supervision obligations with which the company is required to comply.

In any case, the breach of the obligations of management or supervision shall be ruled out if the company, before the commission of the offence, has adopted and effectively implemented a suitable organisation, management and control model to prevent offences of the type that occurred.

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

- the periodic verification and possible modification of the model when significant breaches of the provisions are discovered or when changes occur in the organisation and in the business activity;
- a disciplinary system suitable for sanctioning non-compliance with the measures indicated in the model.

It will be the judicial authority that must, in the case provided for by the aforementioned article 7, prove the failure to adopt and effectively implement an organisation, management and control model that could prevent offences of the type that occurred.

Italian Legislative Decree 231/2001 outlines the content of the organisation and management models, providing that, in relation to the extension of the delegated powers and the risk of committing the offences, they must<sup>1</sup>:

- identify the activities in which offences may be committed;
- provide for specific protocols aimed at planning the formation and implementation of the company's decisions in relation to the crimes to be prevented;

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<sup>1</sup> with regard to the protection of health and safety in the workplace, pursuant to article 30 of Italian Legislative Decree 81/2008 (known as The Consolidated Law regarding the protection of health and safety in the workplace, hereinafter also "TUS"), the organisation and management model that could exempt administrative liability pursuant to Italian Legislative Decree 231/2001 must be adopted and effectively implemented, ensuring a company system for the fulfilment of all legal obligations relating to:

- a) compliance with the technical-structural standards of the law relating to equipment, plants, workplaces, chemical, physical and biological agents;
- b) risk assessment activities and the preparation of consequent prevention and protection measures;
- c) organisational activities, such as emergencies, first aid, contract management, periodic safety meetings, consultations with workers' safety representatives;
- d) health surveillance activities;
- e) worker information and training activities;
- f) supervisory activities with reference to compliance with work safety procedures and instructions by the workers;
- g) the acquisition of documentation and certifications required by law;
- h) periodic checks on the application and effectiveness of the procedures adopted.

The model must also include:

- suitable systems for recording the actual completion of the activities listed above;
- to the extent required by the nature and size of the organisation and the type of activity carried out, an arrangement of functions that ensures the technical skills and powers necessary for the verification, assessment, management and control of risk;
- a disciplinary system suitable for sanctioning non-compliance with the measures indicated in the model;
- a suitable control system on the implementation of said model and on the maintenance over time of the suitability conditions of the measures adopted;
- the review and possible amendment of the model when significant violations of the rules relating to accident prevention and hygiene at work are discovered, or in the event of changes in the organisation and in the activities in relation to scientific and technological progress.



- identify methods for managing financial resources that can prevent the commission of offences;
- establish obligations to inform the body responsible for supervising the functioning and observance of the models;
- introduce a disciplinary system that can sanction non-compliance with the measures indicated in the model.

## 2.11 Trade association guidelines

Article 6, paragraph 3, of Italian Legislative Decree 231/2001 provides that *“organisation and management models may be adopted, guaranteeing the requirements set out in paragraph 2, on the basis of codes of conduct drawn up by the associations representing the entities, communicated to the Ministry of Justice which, in agreement with the competent Ministries, may, within thirty days, formulate observations on the suitability of the models to prevent offences”*.

In compliance with the provisions of article 6, paragraph 3, of Italian Legislative Decree 231/2001, Confindustria was the first to issue a code of conduct for preparing organisation, management and control models (*Guidelines for preparing organisation, management and control models pursuant to Italian Legislative Decree no. 231/2001*; hereinafter, “Confindustria Guidelines<sup>2</sup>”) providing, among other things, the methodological instructions for the identification of risk areas and the structure of the organisation, management and control model.

On this point, the Guidelines suggest the use of risk assessment and risk management processes and provide the following phases for the definition of the organisation, management and control model:

- risk identification;
- design of a preventive control system;
- adoption of a number of general tools, the main ones being a code of ethics and a disciplinary system;
- identification of the criteria for choosing the control body.

In preparing this Model, Rummo S.p.A. was inspired by the Confindustria Guidelines (except for the necessary adjustments due to its particular organisational structure).

The “Position Paper” of the Italian Association of Internal Auditors was also examined, as were international standards on internal control (such as the CoSO Report, proposed by the Committee of Sponsoring Organisations of the Treadway Commission) which, in summary, envisage:

- the identification of risk areas, i.e. company area/sector in which it may be possible to commit the offences envisaged by the Decree;
- information obligations towards the Supervisory Body, aimed at meeting the control requirements regarding the functioning, effectiveness and observance of the Model;
- the preparation of a control system reasonably able to prevent or reduce the risk of committing offences through the adoption of specific protocols.

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<sup>2</sup> Guidelines for preparing organisation, management and control models pursuant to Italian Legislative Decree 231/2001, issued by Confindustria in 2008 and updated in July 2021.

In this context, particular importance is given to the organisational structures, activities and rules implemented by management and company personnel, aimed at ensuring:

- effectiveness and efficiency of management operations;
- reliability of company disclosures, both to third parties and internally;
- compliance with laws, regulations, rules and internal policies.

The rules contained in the Model are also consistent with those of the Code of Ethics, although this Model has the specific purpose of complying with Italian Legislative Decree 231/2001.

## **2.12 Assessment of suitability**

The assessment of the liability of the company, attributed to the criminal court, shall take place through:

- verification of the existence of the offence on which the liability of the company is based;
- the assessment of the suitability of the organisational models adopted.

The court's assessment of the abstract suitability of the organisational model to prevent the offences referred to in Italian Legislative Decree 231/2001 is conducted according to the so-called “prognosis after the fact” criterion.

The assessment of suitability should follow a primarily *ex ante* approach, whereby the judge is ideally able to review the company's circumstances at the time the offence occurred to assess the appropriateness of the model adopted.

In other words, an organisational model is judged to be “suitable for preventing offences” if, before the commission of the offence, it can and should be considered, with reasonable certainty, to eliminate or at least minimise the risk of the subsequently occurring offence.



## 3 ORGANISATION, MANAGEMENT AND CONTROL MODEL

### 3.1 RUMMO S.p.A. model

Adopting an organisation, management and control model pursuant to Italian Legislative Decree 231/2001 not only serves as grounds for exempting the Company from liability for specific crimes and administrative offences, but also demonstrates RUMMO S.p.A.'s social responsibility. This benefits various parties, including stakeholders, managers, employees, creditors and all others with interests tied to the Company's operations.

RUMMO S.p.A. has adopted its own organisation, management and control model compliant with the requirements of Italian Legislative Decree 231/2001 (hereinafter also referred to as the "Model"), consistent with the reference legislative and regulatory context, with the principles already ingrained in its governance culture and with the instructions contained in the Confindustria Guidelines.

### 3.2 Organisational Model Architecture

The Organisation and Management Model of Rummo S.p.A. consists of:

- **General Part**, inspired by the values and principles enshrined in the Code of Ethics, which describes the definition process and the rules of operation of the Organisation and Management Model, as well as the mechanisms for its concrete implementation;
- **Special Part**, which identifies and describes the areas and processes at risk of offence, and assesses the related risks. This part consists of:
  - a guide to the criminal offences envisaged by Italian Legislative Decree 231/2001, a document that briefly describes the characteristics of the criminal offences relevant to application of the decree;
  - the mapping of risk areas, a document that describes the activities likely to give rise to the liability of the entity (so-called sensitive activities);
  - the Protocols issued for the purposes of Italian Legislative Decree 231/01, which govern the specific sensitive activities with the specific aim of preventing the commission of the offences referred to in the applicable decree;
  - the disciplinary and sanctioning system which provides for sanctions against employees, directors, statutory auditors and other recipients;
  - the Regulations of the Supervisory Body which govern the composition, requirements and powers attributed to this body.
  - The Whistle-blowing Procedure.
- **Code of Ethics**, a document that defines the company mission, the tools, the ethical principles and the reference values which inspire the Company;

Furthermore, the company documents relating to the management system are considered complementary to the Organisational Model. These documents describe the corporate governance, organisational structure and structure of corporate controls, including, for instance:

- company profile;
- internal control system;
- system of delegations of authority and powers of attorney in force;
- organisational provisions;
- procedures, guidelines and operating instructions;
- risk assessment document prepared pursuant to the provisions of Italian Legislative Decree 81/2008;

These documents are stored and updated by the competent departments.

### **3.3 Methodology adopted**

The process followed to prepare and formalise the Model included the following activities:

- analysis of the general control framework of the Company (articles of association, organisational chart, regulatory system and the conferral of powers and delegations of authority, etc.);
- analysis of company operations in order to identify the “sensitive activities or processes”, i.e. the activities or processes within which the types of offence considered may be committed and the organisational units involved;
- analysis and assessment of the actual exposure to the risk of committing the offences and the procedural steps and controls in place;
- drafting of specific Protocols (one for each “sensitive” activity/process) to describe the controls on the process of forming and implementing the Company's decisions aimed at preventing the commission of offences, and to govern how to manage the financial resources needed to prevent the commission of offences;
- definition, where necessary, of changes and additions to procedures and/or controls and their implementation;
- establishment of a Supervisory Body pursuant to the Decree and definition of information flows to it and between it and the Board of Directors.
- introduction of a disciplinary system for sanctioning non-compliance with the Model and/or the Protocols.

The Model updating process retraced, from a methodological point of view, the procedure indicated above and considered the results deriving from the application of the Company's Model from its approval to the date of the update.

### **3.4 Corporate governance and the internal control system**

The principles on which corporate governance is based are laid out in the Articles of Association and other subordinate sources.

The internal control system for the Company consists of the set of rules and procedures through which the individual organisational structures contribute to the achievement of the company objectives and the following main purposes:

- effectiveness and efficiency of business processes;
- safeguarding the value of assets and protection against losses;
- reliability and integrity of accounting and management information;
- compliance of transactions with the law, supervisory regulations and with internal policies, plans, rules and procedures.

Any organisational changes that affect the company functions in question, along with updates to the organisational chart, should be communicated to all employees promptly and effectively through specific company instructions.

Personnel of any function and grade must be made aware of the need for controls, knowing their role and committing themselves to carrying out the controls.

Regulatory mechanisms must be implemented throughout the company, albeit with different levels of involvement and responsibility.

### **3.5 Adoption of the Model in the subsidiaries**

The individual subsidiaries are responsible for implementing the Model in their companies, in relation to the activities actually carried out in the areas at potential risk with respect to the categories of offences envisaged by Italian Legislative Decree 231/2001 as amended.

### **3.6 Guidelines of the Parent Company on the administrative liability of Entities vis-à-vis subsidiaries**

Given the configuration of the company and the ways in which it carries out its business, Rummo S.p.A. encourages the adoption and effective implementation of its own organisational models by all its subsidiaries.

Each subsidiary independently prepares and adopts its own Organisation, Management and Control Model pursuant to Decree 231, also taking into account the principles of conduct adopted by Rummo S.p.A.

It is the responsibility of the individual subsidiaries to implement the control principles envisaged in the Model, in relation to the activities actually carried out in the areas at potential risk in relation to the categories of offences envisaged by Decree 231.

Although Rummo S.p.A. encourages the adoption and effective implementation of the Models, it:

- does not issue instructions, in mandatory and binding terms, on the preparation and revision of the Models of the subsidiaries;

- may provide advisory support, aimed at facilitating the adoption, updating, implementation and monitoring of the Models by the individual subsidiaries;
- outlines specific rules for fairness and transparency in relations with the individual subsidiaries through official and traceable communications.

Each subsidiary:

- shall adopt ethical conduct principles specifically determined in relation to its operations and the types of criminal offences relevant to it;
- may independently implement and add to, where necessary on the basis of its specific operations and actual exposure to the risks/offences covered by Decree 231, codes of conduct, a disciplinary system and protocols aligned with those of the parent company;
- shall appoint its own Supervisory Body.

Each subsidiary shall report adoption of the Model

to the relevant company area of Rummo S.p.A. by sending:

- a copy of the Model and the resolution of approval by the Board of Directors;
- a copy of the resolution appointing the Supervisory Board by the Board of Directors.

Communication channels have been established between all subsidiaries and the parent company regarding:

- the state of implementation of the system adopted pursuant to Decree 231;
- any breaches of the Model/Decree and the sanctions applied;
- updates of the organisational models carried out following new relevant predicate offences.

With reference to the activities illustrated above, the competent functions of the Parent Company shall provide the companies with any support and cooperation, to the extent of their respective duties, in the performance of the tasks assigned to them.

### **3.7 Provision of services with the parent company**

Any services rendered by Rummo S.p.A. in favour of the subsidiaries which may involve activities and transactions at risk must be governed by a written contract.

A similar procedure must be ensured for the services received by the subsidiary which may concern activities and transactions at risk.

In all cases, the aforementioned contracts must clearly state:

- the purpose of the services rendered or received;
- the company functions that will provide the aforementioned services;
- the criteria for determining the related costs.

Breaches of the Model encountered in an activity governed by the service contracts with the subsidiaries shall be communicated by the Supervisory Body to the supervisory body of the counterpart company in the service contract.

### **3.8 Activities that are Sensitive and/or at Risk of Offence**

With reference to the criminal offences indicated above and likely to give rise to the administrative liability of the Company, the cases abstractly applicable to the reality of the entity have been identified.

Subsequently, “sensitive” activities and processes were identified for each category of offence.

The potentially “sensitive” activity areas/processes indicated in the Mapping of risk areas, an integral part of the 231 system adopted by Rummo S.p.A., are shown in the following table:

No.	Process/Activity
1	Management planning and control
2	Management of corporate duties
3	Financial statements and periodic reporting
4	Relations with corporate bodies and control bodies
5	Procurement of goods and services
6	Consulting and professional activities
7	Logistics, internal handling and storage
8	Transport management
9	Security - Credit Management
10	Quality
11	Management of financial resources and administrative processes
12	Public financing and public funding
13	Personnel
14	Protection of health and safety at work
15	Management of information systems
16	Management of investee companies
17	Disputes, proceedings and settlement agreements
18	Relations with Supervisory Authorities or Public Entities
19	Research and Development
20	Production Process Management
21	Sales Process Management
22	Foreign market
23	Marketing and Sponsorships

In order to specifically and concretely identify the areas at risk within the Company, an analysis of the corporate and organisational structure of Rummo S.p.A. was carried out.

This analysis was carried out using the documentation relating to the Company, as well as all the indications deriving from legal theory, case law and best practice.

All this allowed a thorough verification of the company processes involved from time to time, thereby identifying areas among them likely to be considered “areas at risk”.

## 3.9 Protocols

For each of the “sensitive” activities identified, steps were taken to prepare a specific protocol containing a summary description of the controls on the process for making and implementing the entity's decisions.

The aforementioned controls will be identified on the basis of their adequacy to meet specific requirements for the purposes of Italian Legislative Decree 231/01 and represent only a part of the “standards” constituting the overall Internal Control System of Rummo S.p.A.

The controls thus defined will be categorised into “general” and “specific”.

In compiling the protocols, a reference format was adopted consisting of the following categories of information:

**a. Preliminary considerations on the “sensitive” activity:**

- Definition of the risk area.

**b. Associated criminal offences:**

- List of criminal offences associated with the risk area in question and related regulatory references.

**c. Control system:**

Definition of general and specific control points aimed at:

- Ethical safeguards inherent in the activity or process;
- Existence of formalised procedures/guidelines;
- Ex-post traceability and verifiability of the process of deciding, authorising and carrying out the sensitive activity by means of appropriate documentary and IT support;
- Separation of activities between those who authorise, those who perform and those who control;
- Existence of a system of delegations of authority consistent with the organisational responsibilities assigned.

**d. Relations with the Supervisory Body:**

- Rules governing reports to the Supervisory Body.
- Specification of the information flows to the Supervisory Body with an indication of the relevant functions responsible.
- Any specific indications on the operations of the Supervisory Body in the activity or process at risk.

## 3.10 Adoption and amendments to the Organisational Model

The Organisational Model of Rummo S.p.A. has been adopted by the Board of Directors which is also responsible for all substantial changes to the Model itself.

In compliance with the provisions of article 6, paragraph 1, lett. b) of Italian Legislative Decree 231/2001, the Supervisory Body is responsible for driving the process of updating the Model.

To this end, the Supervisory Body, with support from the company functions responsible for monitoring regulatory changes, organisational changes and changes related to the types of activities carried out by the Company – and in particular the related information flows for these purposes with continuity ensured in favour of the Supervisory Body – shall identify and report to the Board of Directors the need to update the Model, also providing guidance on how relevant actions should be implemented.

The Board of Directors shall assess the need to update the Model as reported by the Supervisory Body and, having consulted the Board of Statutory Auditors, shall decide on the updating of the Model in relation to changes and/or additions that may become necessary as a result of:

- regulatory changes regarding the administrative liability of entities and significant developments in the interpretation of the relevant provisions;
- the identification of new sensitive activities, or changes to those previously identified, also possibly related to the start-up of new business activities, changes to the internal structure of the Company and/or how the business activities are carried out;
- the issue and amendment of guidelines by the reference trade association communicated to the Ministry of Justice pursuant to article 6 of Italian Legislative Decree 231/2001 and articles 5 et seq. of Italian Ministerial Decree no. 201 of 26 June 2003;
- the commission of criminal offences (and administrative offences) that are relevant for the purpose of the administrative liability of entities by the recipients of the provisions of the Model or, more generally, of significant breaches of the Model;
- the finding of shortcomings and/or gaps in the provisions of the Model following checks on its effectiveness.

At the same time as adopting its resolutions relating to the performance of activities to update the Model, the Board of Directors shall identify the company functions that will have to carry out and implement the above-mentioned updating and the related methods to employ, authorising the start-up of a specific project.

The appointed functions shall carry out the approved actions according to the instructions received and, after informing the Supervisory Body, shall submit the proposals to update the Model resulting from the results of the related project to the Board of Directors.

The Board of Directors, having consulted the Board of Statutory Auditors, shall approve the results of the project, order the updating of the Model and identify the company functions that will be required to implement the changes/additions deriving from the results of the project and the disclosure of the relative contents within and outside the Company.

The approval of the update of the Model shall be immediately communicated to the Supervisory Body, which, in turn, shall supervise the correct implementation and dissemination of the updates made.

In order to ensure greater timeliness of action and effectiveness of the Model, if the need for updating derives exclusively from organisational changes, the relative power to revise the Model may be exercised by the Chairperson of the Board of Directors after consulting the Supervisory Body.

In this case, the relative decisions must be ratified by the Board of Directors at the first possible call of a meeting.



The Supervisory Body shall also inform the Board of Directors of the outcome of the supervisory activity undertaken in compliance with the resolution that requires the updating of the Model, by means of a specific report.

The Model, in any case, shall be subject to periodic review on a three-year basis to be arranged by resolution of the Board of Directors.

## **4 PRINCIPLES AND ETHICS OF RUMMO S.p.A.**

### **4.1 The Code of Ethics**

The Company has always paid particular attention to the objective of social commitment, in the belief that competitiveness between companies must always go hand in hand not only with ethical considerations, but also with social involvement and respect for the environment.



To underscore its commitment to ethical standards and in order to emphasise the importance of conduct based on rigour and integrity, values deeply ingrained in the company's culture, the Company has adopted a Code of Ethics.

This document is a corporate culture tool that aims to avoid ambiguous or improper conduct by clearly identifying the main rules to be complied with and warning that non-compliant conduct may be sanctioned. In particular, it reaffirms the principle that the Company asks its employees (but also its contract staff and external consultants) to behave in accordance with principles of strict honesty.

In an economic landscape marked by intense and growing competition, a focus on ethics – i.e. confidentiality, loyalty and honesty in both external and internal conduct – is a highly valuable tool. This approach helps companies tackle present and future challenges while making a tangible contribution to achieving organisational goals. Moreover, it transforms market perception of the Company's operations into a competitive advantage and fosters stronger relationships within the Company.

The decision to adopt a Code of Ethics consisting of a deliberately streamlined set of rules, both of a very general nature – aimed at creating uniform standards of conduct and emphasising, in the strictest compliance with business ethics, the priority objectives and reference values that must inspire the conduct of those who act in the interest and on behalf of the Company – and of a more specific nature – for example, where the obligation of confidentiality and the management of confidential information is regulated – is intended to be a sign of transparency and fairness on the part of the Company, a sort of “declaration of principles”, which translate into rules addressed to all those to whom the code is addressed, namely directors, statutory auditors, employees and also consultants and, in general, third parties who come into contact with the Company.

The purpose of this Code extends beyond mere encouragement. Hence, the instructions it contains should be regarded as obligatory in all aspects. Additionally, a supervisory system is outlined to sanction any non-compliant conduct, which would be deemed “*a breach of ethical principles and fairness duties toward customers, the Company and shareholders*”.

## 5 SUPERVISORY BODY

### 5.1 Supervisory Body of Rummo S.p.A.

Based on the provisions of Italian Legislative Decree 231/2001 – article 6, paragraph 1, letters a) and b) – the entity may be exempt from liability resulting from the commission of offences by qualified parties pursuant to article 5 of Italian Legislative Decree 231/2001, if the management body has:

- adopted and effectively implemented organisational, management and control models suitable for preventing the crimes considered;
- entrusted the task of supervising the functioning and compliance with the model and of updating it to a body of the entity with autonomous powers of initiative and control.

The assignment of the aforementioned tasks to a body with autonomous powers of initiative and control together with the proper and effective performance of the same are therefore indispensable prerequisites for the exemption from liability of the entity envisaged by Italian Legislative Decree 231/2001.

The Confindustria Guidelines, most recently updated in July 2014, which are cited here as they represent the codes of conduct for the preparation of the organisation, management and control models pursuant to Italian Legislative Decree 231/2001 drawn up by trade associations, identify autonomy and independence, professionalism and continuity of action as the main requirements of the Supervisory Body.

In particular:

- the requirements of autonomy and independence require: the establishment of a supervisory body *“as a staff unit in the highest hierarchical position possible”*, the provision of a *“report”* by the supervisory body to the most senior operations management, the absence, on the part of the supervisory body, of operational tasks which – by making it involved in decisions and operational activities – would compromise its objectivity of judgement;
- the connotation of professionalism must refer to the *“set of tools and techniques”* necessary to effectively carry out the activities of the Supervisory Body;
- the absence, on the part of the supervisory body, of operational tasks which – by making it a participant in decisions and operational activities – could compromise its objectivity of judgement, as specified by the relevant case law, *“the control body must not have operational duties that, by making it a participant in decisions of the entity's activity, could compromise the clarity of judgement at the time of checks”* (Court of Rome, Prelim. Investig. Magistrate 4 April 2003);
- continuity of action, which guarantees an effective and constant implementation of the organisational model pursuant to Italian Legislative Decree 231/2001 that is particularly detailed and complex in large and medium-sized companies, is facilitated by the presence of a structure dedicated exclusively and on a full time basis to overseeing the model and *“without operational duties that may require it to take decisions with economic-financial effects”*.

A further requirement is that of integrity, which translates into the need for the members of the supervisory body not to find themselves in subjective situations deemed incompatible with an optimal and sound exercise of the function.

The law does not provide instruction on the composition of the Supervisory Body. Rummo S.p.A. has opted for a solution that, taking into account the purposes pursued by the law, can ensure, in relation to its size and organisational structure, the effectiveness of the controls that the Supervisory Body is in charge of.

In compliance with the provisions of article 6, paragraph 1, lett. b) of Italian Legislative Decree 231/2001 and in the light of the indications of the most representative trade associations, the Model of Rummo S.p.A. entrusts the Administrative Body with the identification of the structure of its supervisory body (hereinafter “Supervisory Body”) on the basis of one of the following possible solutions:

- single-member body;
- collegial body composed of two or more members.

Rummo S.p.A., through its Board of Directors, opted for a single-member Supervisory Board.

On the other hand, as far as composition is concerned, the Administrative Body may include, in addition to an exclusively external composition, also a mixed composition, with an external Chairman and with the possible involvement of corporate functions not involved in operational processes.

The decision to create an ad hoc function consisting of both internal and external professionals, who guarantee the effectiveness of control and standardisation of guidelines, is considered suitable because:

- the autonomy and independence that the Supervisory Body must have would be guaranteed by the presence of one or more external members and the reporting lines to the senior management of the company attributed to the Supervisory Body;
- professionalism would be ensured by the skills and experience that all members of the Supervisory Body have, in particular: for the internal member as regards the knowledge of organisational, management and corporate issues and for the familiarity acquired with the characteristics of the business activities and the structure of Rummo S.p.A. and for the external member, for the skills and experience gained in dealing with the legal implications of the matter;

continuity of action would be guaranteed by the presence within the Supervisory Body of one or more internal members and the fact that said Body uses, for the performance of its tasks, information flows generated by internal resources as part of the operational supervision activities entrusted to them.

## **5.2 Whistle-blowing reports and protection of whistle-blowers**

The company shall approve and update a specific procedure to govern the reporting of offences pursuant to paragraph 2-bis of article 6 of Italian Legislative Decree 231/2001. In particular, this procedure governs the implementation of one or more channels that allow the recipients of the Model to submit, to protect the integrity of the entity, detailed reports of unlawful conduct, relevant pursuant to this decree and based on factual elements that are precise and consistent, or of

breaches of the organisation and management model of the entity of which they have become aware due to the functions performed.

The procedure envisages that these channels guarantee the confidentiality of the whistle-blower's identity in the management of the report and envisage at least one alternative reporting channel suitable to guarantee, with IT methods, the confidentiality of the whistleblower's identity.

Acts of retaliation or discrimination, direct or indirect, against the whistle-blower for reasons related, directly or indirectly, to the report are prohibited.

The adoption of discriminatory measures against the parties who make the reports can be reported to the National Labour Inspectorate, for the measures within its competence, not only by the whistle-blower but also by the trade union organisation indicated by the same.

Any retaliatory or discriminatory dismissal of a whistle-blower shall be null and void. Any change of duties pursuant to article 2103 of the Italian Civil Code, as well as any other retaliatory or discriminatory measures taken against a whistle-blower, shall also be null and void.

It is the responsibility of the employer, in the event of disputes related to the imposition of disciplinary sanctions, or demotion, dismissal, transfer, or subjecting the whistle-blower to other organisational measures with negative effects, direct or indirect, on the working conditions, subsequent to the presentation of the report, to show that these measures were based on reasons unrelated to the report itself.

The conduct of those who violate the protection measures applied to a whistle-blower, as well as those who make reports with wilful misconduct or gross negligence, shall constitute a breach that can be sanctioned pursuant to the disciplinary system referred to in Chapter 6 below.

## 6 DISCIPLINARY SYSTEM

### 6.1 Purpose of the disciplinary system

Article 6, paragraph 2, lett. e) and article 7, paragraph 4, lett. b) of Italian Legislative Decree 231/2001 indicate the introduction of a disciplinary system to sanction non-compliance with the measures indicated in the model itself as a condition for the effective implementation of the organisation, management and control model.

The definition of an adequate disciplinary system is therefore an essential prerequisite for justifying the validity of the organisation, management and control model pursuant to Italian Legislative Decree 231/2001 with respect to the administrative liability of entities.

The sanctions envisaged by the disciplinary system will be applied to any violation of the provisions contained in the Model regardless of the development and outcome of any criminal proceedings initiated by the judicial authorities.

### 6.2 Characteristics of the disciplinary system

The disciplinary system is intended as a deterrent, whereas the Organisation, Management and Control Model aims to prevent the commission of criminal offences.

This system is aimed at sanctioning non-compliance with the principles contained in the Code of Ethics adopted by Rummo, as well as with the rules and general standards of conduct indicated in the Model; it integrates, pursuant to the combined provisions of articles 2104, 2105 and 2106 of Book V (Labour), Title II (Corporate labour), chapter I, of the Italian Civil Code, the National Collective Agreements relating to employees of Rummo S.p.A.

The definition of a system of sanctions to be applied in the event of violation of the rules of conduct referred to in the Model, shall make the supervisory and prevention action entrusted to the Supervisory Body effective and aims to guarantee the effectiveness of the Model itself.

The adoption of the sanctions system constitutes, pursuant to article 6, paragraph 2, letter e) of the Decree, an essential requirement of the Model for the benefit of the exemption from liability of the Entity.

The disciplinary system must be inspired by the following principles:

- differentiation of sanctions in relation to the subjective characteristics of the recipients (employees, managers, third parties, directors and statutory auditors);
- differentiation of the extent of the sanctions in relation to the seriousness of the facts and the damage caused to the entity;
- relevance of the recidivism or the activity of the party involved aimed at limiting the damages;
- envisaging specific sanctions in the event of negligence or inexperience in identifying or eliminating breaches of the model.

With regard to employees and managers, reference may be made to the relative collective labour agreements from which sanctions against directors and statutory auditors may also be borrowed, and who may therefore also incur financial penalties.

With regard to relations with third parties, specific contractual clauses may be envisaged to be activated gradually in relation to the circumstances.

Within the scope of administering the sanctions, the Supervisory Body must be involved by requesting a non-binding opinion on the proposed measure.

The Sanction System defined by the Company constitutes a specific section of the special part of the model.

## **7 TRAINING, COMMUNICATION AND DISCLOSURE**

### **7.1 Introduction**

In order to effectively implement the Model, Rummo S.p.A. intends to ensure the proper disclosure of its contents within and outside its organisation.

In particular, the company aims to extend the communication of the contents of the Model to both its employees and to those who, although not formally classified as employees, work – even occasionally – to achieve the objectives of Rummo S.p.A. by virtue of contractual relationships.

The communication and training activities, tailored according to the respective recipients, shall be, in any case, based on principles of completeness, clarity, accessibility and continuity in order to allow the various recipients to be fully aware of the company provisions they will have to comply with and the ethical rules that must inspire their conduct.

Communication and training activities shall be supervised by the Supervisory Body, which is assigned, among other things, the tasks of:

- promoting and defining initiatives for the dissemination of knowledge and understanding of the Model, for personnel training and for raising awareness on the compliance with its contents;
- promoting and developing communication and training initiatives on the contents of Italian Legislative Decree 231/2001, on the impacts of the regulations on the company's activities and on the rules of conduct.

### **7.2 Employees and members of the corporate bodies**

Each employee is required to:

- acquire awareness of the contents of the Model;
- know the operating methods to use for their jobs;
- actively contribute, in relation to their role and responsibilities, to the effective implementation of the Model, reporting any shortcomings found in it.

In order to ensure effective and streamlined communication, Rummo S.p.A. shall promote and facilitate awareness of the contents of the Model by employees, with a different degree of in-depth analysis depending on the degree of involvement in the activities identified as sensitive pursuant to Italian Legislative Decree 231/2001.

Employees must be guaranteed the possibility of accessing and consulting the documentation constituting the Model (Code of Ethics, General Part and Special Part), including directly on the company Intranet.



In addition, in order to facilitate understanding of the Model, employees are required to participate in specific training courses in different ways according to their degree of involvement in the activities identified as sensitive pursuant to Italian Legislative Decree 231/2001.

New employees will be given a copy of the Model's Descriptive Document upon hiring, and will be made to sign a declaration of compliance with the contents of the Model described therein.

The members of Rummo S.p.A.'s corporate bodies will be subject to the same Model disclosure procedures as those provided for employees.

Appropriate communication tools will be adopted to update employees on any changes made to the Model, as well as any significant procedural, regulatory or organisational changes.

### **7.3 Other recipients**

The communication of the contents of the Model shall also be addressed to those third parties who have contractually governed relationships with Rummo S.p.A. or who represent the Company without being employees.

To this end, Rummo S.p.A. will provide the most significant third parties with an extract of the General Part of the Model and a copy of the Code of Ethics. Third parties to whom the extract of the descriptive Document of the Model and a copy of the Code of Ethics will be provided will be asked to sign a declaration certifying receipt of these documents and the commitment to comply with the contents described therein.

Rummo S.p.A., taking into account the purpose of the Model, will evaluate the opportunity of communicating the contents of the Model to third parties, not relating to the figures indicated above by way of example, and more generally to the market.

### **7.4 Training activities**

The awareness by all employees of Rummo S.p.A. of the principles and provisions contained in the Model is of primary importance for the effective implementation of the Model.

Rummo S.p.A. shall ensure, through an adequate training programme periodically updated and aimed at all employees, that they are kept continuously aware of issues relating to the Model in order to allow the recipients of this training to achieve full awareness of the company guidelines and to enable them to be fully capable of complying with them.

The Company shall prepare, with the support of the relevant company functions (if necessary, assisted by external consultants with expertise in the area of administrative liability of entities), specific training activities aimed at all employees in order to ensure adequate knowledge, understanding and disclosure of the contents of the Model and to spread a corporate culture that is oriented towards the pursuit of ever greater transparency and ethics.

The training activities shall include the following content:

- a general part concerning the reference regulatory framework (Italian Legislative Decree 231/2001 and relevant administrative criminal offences and unlawful behaviour for the



purpose of the administrative liability of entities) and other aspects contained in the general part of the Model;

- a special part concerning the activities identified as sensitive pursuant to Italian Legislative Decree 231/2001 and the control protocols relating to said activities;
- a check on the level of comprehension of the training received.

Training activities are provided in the following ways:

- classroom sessions, with dedicated meetings or through the introduction of specific modules as part of other training sessions, depending on the content and recipients of the latter, with questionnaires to verify the level of comprehension;
- other solutions, also based on e-learning platforms: through a module relating to the general part for all employees, with intermediate exercises and learning tests.

The contents of the training courses shall be constantly updated in relation to any updates to the Model.

Participation in training shall be mandatory.

The Supervisory Body, through the relevant company structures, shall collect and archive the evidence/certifications relating to the actual participation in said training activities.

## 8 DEFINITIONS AND GLOSSARY

The following terms used in the Organisational Model have the following meanings:

DEFINITION	DESCRIPTION
<b>Administration &amp; Finance</b>	Company area that carries out administration and finance functions for Rummo S.p.A.
<b>Company area</b>	Company sector that may include one or more corporate Functions
<b>Business activity</b>	Ordinary company transaction carried out as part of the duties assigned to the specific corporate function
<b>Sensitive activity or Sensitive process</b>	Transaction or series of transactions ordinarily carried out by employees as part of their duties and which, due to their characteristics, require the application of specific controls in order to limit exposure to the risk of committing the criminal offences envisaged by the Decree
<b>Code of Ethics</b>	Ethical principles of the Company aimed at avoiding conduct that may lead to the criminal offences envisaged by the Decree
<b>Contract staff member</b>	Person external to the Company who works on a fixed-term basis for the company on the basis of a specific contract regulated by law.
<b>Board of Statutory Auditors</b>	The Board of Statutory Auditors in office at the Company
<b>Commercial or Sales</b>	Company Area for commercial development and promotion, identification of new business opportunities and management, formulation of commercial offers for the sale of Rummo S.p.A. services.
<b>Managing Director or CEO</b>	The Managing Director in office at the Company
<b>Directors of the Board of Directors</b>	Directors in office at the Company
<b>Board of Directors or BoD</b>	The Board of Directors of the company
<b>Consultant</b>	Person outside the Company who carries out non-continuous professional activities in full autonomy on the basis of a specific contractual agreement.
<b>Internal control</b>	Set of company procedures put in place by the Directors to guarantee the proper performance of the Company's activities, the reliability, accuracy and completeness of the information, as well as the safeguarding of company assets
<b>Decree</b>	Italian Legislative Decree no. 231 of 8 June 2001 as amended
<b>Directors/Executives</b>	The workers responsible for managing one or more company Units with decision-making autonomy and who are responsible for promoting, managing and coordinating the achievement of company objectives
<b>Company provision</b>	Specific and formalised company rule in summarised terms such as a service order
<b>Corporate risk assessment document</b>	The document referred to in articles 17 and 28 of Italian Legislative Decree 81/08
<b>Security policy document</b>	The document drawn up on the basis of the provisions set forth in point 19 of the technical specification on minimum security measures, annex b of Italian Legislative Decree no. 196 of 30 June 2003.
<b>Entity</b>	All the parties indicated by the Decree as recipients: Legal entities, Companies and Associations, including those without legal liability
<b>Corporate function</b>	Series of activities that have the same nature, grouped together because they concern the same operational purpose and are aimed at achieving the business purpose.
<b>IT</b>	Information Technology – IT specialist sector
<b>Risk mapping</b>	Documentation prepared by Rummo S.p.A. which analyses the “sensitive” activities of the Company with reference to the risks of committing the criminal offences referred to in the Decree, summarises the protocols put in place to combat the risks of criminal offence, refers, where applicable, to the more extensive documentation of the controls and procedures available in the company system, and analytically indicates the levels of responsibility for the proper application of the company rules.
<b>Organisational Model</b>	The Organisation, Management and Control Model suitable for preventing the criminal offences as prepared by the Company in accordance with Italian Legislative Decree 231/2003.
<b>Operations</b>	Company area that carries out research, development and production functions for Rummo S.p.A.
<b>Organisation chart</b>	System that shows the various corporate functions organised for the performance of business activities according to their hierarchical relationships.
<b>Supervisory Body or SB</b>	The body endowed with autonomous powers of initiative and control pursuant to article 6 of the Decree appointed by the Company.

DEFINITION	DESCRIPTION
<b>Policy</b>	Set of rules, guidelines and principles established for corporate governance that are also aimed, directly or indirectly, at preventing the commission of the offences referred to in the Decree.
<b>Procedure</b>	Set of company rules codified and to be applied in the performance of a specific business activity carried out by a company Function including Policies and Protocols.
<b>Protocols or preventive controls</b>	Control rules envisaged in the performance of a company activity and aimed at combating the risks of committing the offences referred to in the Decree.
<b>Rule</b>	Rules for the functioning of the Supervisory Body prepared by the Supervisory Body itself.
<b>Corporate Area Manager</b>	Person who has been entrusted with the responsibility of a specific business Area as described in the Organisation Chart.
<b>Head of Company Function</b>	Person who has been entrusted with the responsibility of a specific company Function included within the individual Organisational Units and Company Areas that make up the Organisation Chart.
<b>Statutory Auditors</b>	The statutory auditors in office at the Company.
<b>Governance system</b>	Set of rules at all levels that govern the management of the company by law or by company provisions.
<b>Company or Rummo S.p.A.</b>	Indicates Rummo S.p.A.
<b>Senior Managers</b>	Persons who perform functions of representation, administration or management of the entity or of an organisational unit with financial and functional autonomy as well as persons who exercise, even de facto, the management and control of the same pursuant to article 5, paragraph 1, letter a) of the Decree.
<b>Subordinate Parties</b>	Persons subject to the management or supervision of one of the Senior Managers pursuant to article 5, paragraph 1, letter b) of the Decree.
<b>Recipients</b>	These are the parties, employees or third parties with respect to the Company, to whom the ethical principles, the operating instructions and the Organisational Model as a whole are addressed, each according to the levels of responsibility attributed to them.
<b>Subsidiaries</b>	These are companies whose shares or holdings are held by Rummo S.p.A. in sufficient quantities to exercise a dominant influence at the shareholders' meetings (Rummo S.p.A. has the majority of votes that can be exercised at the shareholders' meeting).
<b>Consolidated Law on health and safety at work or CL</b>	Italian Legislative Decree no. 81/2008 "Implementation of article 1 of Law no. 123 of 3 August 2007, on the protection of health and safety in the workplace".
<b>Whistle-blowing</b>	Concept that allows employee or, in any case, any recipient of the Organisational Model to report to specific internal bodies any irregularities or criminal offences committed in the company, of which they become aware due to their activities.