



Organisation, Management & Control Model pursuant to Leg. Dec. 231/01 La Doria S.p.A.

REV.	DATE	REASON FOR CHANGE
0	28/03/2008	First Adoption
1	13/03/2015	Adjustment to the changes in the Special Section of the Organisational Model
2	13/05/2020	Adjustment to the changes in the Special Section of the Organisational Model
3	10/09/2021	Introduction paragraph dedicated to the Bribery Act; Amendments to the paragraph dedicated to the Supervisory Board



REVISION SUMMARY

Rev. 0	28/03/2008	<p>First Issue Organisational Model: General Section and Special Section in four sections.</p> <p>***</p> <p>Adjustment of General Section;</p> <p>Adjustment of the Special Section to regulations:</p> <ul style="list-style-type: none"> - <u>Special Section I:</u> Introduction of Article 491-<i>bis</i> of the Penal Code "False information in a public or private electronic document with evidential effectiveness" and Article 377 of the Penal Code "Inducement to not make false statements to the judicial authorities". Introduction of the Information Flow Sheet to the Supervisory Board.
Rev. 1	13/05/2011	<ul style="list-style-type: none"> - <u>Special Section II:</u> Update with reference to "Project 262"; Repeal of Article 2624 of the Civil Code "False statements in reports or communications by auditing firms" Article 37 of Leg. Dec. 39 of 27/01/2010. - <u>Special Section IV:</u> Update to the Safety Consolidation Act introduced by Leg. Dec. 81 of 2008. - <u>Special Section V:</u> First Issue "Offences against industry and commerce" section. <p>***</p>
Rev.2	11/11/2011	<p>Ethics Code Update.</p> <p>***</p>
Rev.3	14/11/2012	<p><u>Special Section IV:</u> Update due to organisational changes.</p> <p><u>Special Section VI:</u> First Issue "Environmental Offences" section.</p> <p>***</p>
Rev. 4	14/05/2013	<p><u>Special Section I:</u> Introduction of the offence "undue induction to give or promise benefits" Leg. Dec. 190 of November 6, 2012;</p> <p><u>Special Section II:</u> Introduction of the offence "Corruption between private individuals" Leg. Dec. 190 of November 6, 2012.</p> <p>***</p>
Rev.5	14/11/2013	<p><u>Special Section VII:</u> First Issue of "Offences involving the employment of third-country nationals with irregular residence permits" section.</p> <p>***</p>
Rev.6	28/08/2014	<p><u>Special Section II:</u> Update on areas at risk of offence.</p> <p>***</p>



SUMMARY OF REVISIONS

Rev. 7	13/03/2015	Update of General Section. ***
Rev. 8	12/05/2016	Special Section II: Amendments Article 2621, 2622 Civil Code and introduction of Article 2621- <i>bis</i> Civil Code, according to Law 69 of May 27, 2015. ***
Rev. 9	15/03/2017	Special Section IV: Update in relation to the achievement of OHSAS 18001/2007 certification (Parma facility). ***
Rev.10	23/02/2018	Special Section II: Amendments to Article 2635 Civil Code, introduction of Article 2635- <i>bis</i> Civil Code, according to Decree 38/2017. ***
Rev.11	04/09/2019	Special Section VI: Update of environmental offences for compliance with "L.68/2015".
Rev.12	14/11/2019	Revision of the Ethics Code ***
Rev.13	13/05/2020	Update of General Section. Special Section III: Update for compliance with Leg. Dec. 107/2018 "Rules for adaptation of national legislation to the provisions of Regulation (EU) 596/2014 on market abuse"; transposition of "procedure for the management and disclosure of inside information" and "Internal Dealing Code of Conduct" ***
Rev.14	15/03/2021	Special Section VIII: First issue of the Tax Crimes section (Law 124/2019).
Rev.15	10/09/2021	Update of General Section



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1. LEGISLATIVE DECREE 231/2001

1.1 ADMINISTRATIVE LIABILITY FOR OFFENCES

Leg. Dec. 231 of June 8, 2001, containing the "*Regulations on the administrative liability of legal entities, companies and associations, including those without legal personality*" (hereinafter also referred to as the "Decree"), in implementation of Law 300 of September 29, 2000, introduced into the Italian legal system **an administrative liability regime (substantially comparable to criminal liability)**, for legal persons (hereinafter referred to as "entities"). This comes in addition to the criminal liability of the natural person who has materially committed the offences, and seeks to involve, in the punishment of such offences, the bodies in whose interest or to whose advantage such offences have been committed.

In support of the assimilation of such liability to criminal liability, it should be noted that:

1. it arises in connection with the commission of predicate offences;
2. it is an *autonomous* responsibility, and persists even when "the offender has not been identified or cannot be charged", or "the offence is extinguished for a reason other than amnesty", pursuant to Article 8 of the Decree;
3. the matter falls under the jurisdiction of the criminal judge and is governed by the fundamental principles of law and criminal process, albeit appropriately adapted;
4. the initiative of investigating the offences from which this responsibility derives is entrusted to the public prosecutor who has been informed of the commission of one of the offences indicated in the legislation under examination ("*predicate offences*").

Pursuant to Article 1 of the Decree, the **scope of application** of the regulations includes: entities with legal status, companies and associations, including those without legal status, with the exception of territorial public entities, other non-economic public entities, in addition to entities that perform functions of constitutional importance.

Liability also arises in the event of an **offence committed abroad** by an entity with its head office in the territory of the State, provided that the State in which the offence was committed does not take legal action against it (Article 4 of the decree).

According to the provisions of the Decree, entities are liable if:

- the offence was committed by a senior person or by persons subject to his/her direction or supervision;
- one of the offences stipulated by the Decree ("*predicate offences*") has been committed;
- the offence was committed in their interest or to their advantage.

Specifically, the key points of the Decree concern:

- a) the identification of the persons who, by committing an offence in the interest or to the advantage¹ of the entity, can determine its responsibility.

Specifically, these may be:

¹ According to the traditional approach, developed with reference to intentional offences, the interest has a subjective nature. It refers to the volitional sphere of the acting natural person and is assessable at the time the offence is committed: the natural person must not have acted against the company. If he/she committed the offence in his/her personal interest, in order for the company to be liable this interest must coincide at least in part with that of the company (see also Cass., V Penal Sect., Judgement 40380 of 2012). In this regard, we note the recent orientation of the Court of Cassation that seems to highlight the notion of interest also in objective terms, enhancing the finalistic component of the conduct (Cass., II Sect. Pen., judgement 295/2018; Cass., IV Sect. Pen., judgement 3731/2020). On the other hand, the advantage is defined as the collection of benefits - especially those of a patrimonial nature - gained from the offence, which may be assessed after the commission of the latter (see also Cass., II Sect. Pen., Judgement No. 3615 of 2005295/2018), also in terms of reduced expenses (see also Cass., IV Sect. Pen., Judgement No. 31210/2016, Cass., IV Sect. Pen., Judgement 3731/2020)" The case law on the subject (Court of Cagliari, Judgement July 13, 2011) held that in culpable offences the interest or advantage of the entity should be assessed with regard to the entire case of the offence, not with regard to the event itself. In fact, while in malicious predicate offences the offence may well correspond to the interest of the entity, the same cannot be said for culpable offences, given the counter-intent that characterises the latter pursuant to Article 43 of the Penal Code.

- 1 individuals who hold “**top**” management positions (representation, administration or management of the entity or another organisational unit or individuals who exercise de facto management and control);
- 2 natural persons subject to the direction or supervision of one of the above-mentioned persons.

(b) the types of offences currently stipulated.

1.2 "PREDICATE OFFENCES" PURSUANT TO LEG. DEC. 231/01

The types of offence relevant for the purposes of Leg. Dec. 231/01 are as follows:

- i. Offences committed in relations with the Public Administration (Articles. 24 & 25);
- ii. computer offences and unlawful data processing (Article 24-*bis*);
- iii. organised offence offences (Article 24-*ter*);
- iv. extortion, undue induction to give or promise other benefits and corruption (Article 25)
- v. offences relating to forgery of money, public credit cards and duty stamps (Article 25-*bis*);
- vi. offences against industry and trade (Article 25-*bis*, 1);
- vii. corporate offences and offences of corruption and incitement to corruption among private individuals (Article 25-*ter*);
- viii. offences for the purpose of terrorism or subversion of the democratic order (Article 25-*quater*);
- ix. offences against physical safety with particular reference to the practice of female genital mutilation (Article 25-*quater*);
- x. offences against the individual (Article 25-*quinquies*);
- xi. market abuse offences (Article 25-*sexies*); transnational offences relating to criminal associations, money laundering, illegal trafficking in migrants, obstruction of justice (Articles 3 and 10 of Decree 146/2006);
- xii. the offences of manslaughter and serious or very serious negligent injury, in violation of the regulations on accident prevention and the protection of hygiene and health at work (Article 25-*septies*);
- xiii. offences of receiving stolen goods, money laundering and use of public money, goods or utilities of illegal origin in addition to self-laundering (Article 25-*octies*);
- xiv. offences relating to violation of copyright (Article 25-*novies*);
- xv. the offence of inducing persons not to make false statements to the judicial authorities (Article 25-*novies*);
- xvi. environmental offences (Article 25-*undecies*);
- xvii. offences involving the employment of third-country nationals with irregular residence permits (Article 25-*duodecies*);
- xviii. offences involving racism and xenophobia (Article 25-*terdecies*);
- xix. offences relating to fraud in sporting competitions, unlawful gaming or betting and gambling by means of prohibited devices (Article 25-*quaterdecies*);
- xx. tax offences (Article 25-*quinguesdecies*)

Other types of offences may subsequently be included in the Decree by the legislator.

It is believed that of the offences covered in the Decree up to the date of this document², those that could potentially concern the Company are listed under i), iv), vi), vii), xi), xii), xiv), xvii), xviii) and xix).

The latter are listed below:

² Periodically, the Supervisory Board plans in-depth analyses to evaluate the advisability of the possible implementation in the Model of updates concerning certain offences already provided for by the Decree and for those recently introduced.

1. offences committed against **the Public Administration**, as indicated in **Articles 24 and 25 of the Decree** (see Special Section I), namely:
 - Embezzlement to the detriment of the State or other public entities (Article 316-*bis* Penal Code);
 - undue receipt of contributions, financing or other disbursements from the State or other public body (Article 316-*ter* Penal Code); fraud to the detriment of the State or other public body or the European Union (Article 640, paragraph 2, sub.1, Penal Code);
 - aggravated fraud for the receipt of public funding (Article 640-*bis* Penal Code);
 - IT fraud against the State or other public entity (Article 640-*ter* Penal Code);
 - bribery (Article 317 Penal Code);
 - corruption through a public act (Article 318, Penal Code);
 - corruption through an act contrary to public duties (Article 319 Penal Code);
 - corruption in legal acts (Article 319-*ter* Penal Code);
 - improper inducement to give or promise benefits (Article 319-*quater* Penal Code)
 - active corruption (321 Penal Code);
 - incitement to corruption (Article 322 Penal Code);
 - bribery of persons in charge of a public service (Article 320 Penal Code);
 - embezzlement, bribery, corruption and incitement to corruption of members of European Union bodies and of European Union or Overseas State officials (Article 322 Penal Code);
 - false information in a public or private electronic document with evidential effectiveness (Article 491-*bis* of the Penal Code);
 - inducement to not make false statements to the judicial authorities (Article 377 Penal Code).

2. **“corporate offences”** referred to in **Article 25-*ter*** of the Decree (see Special Section II), introduced by Leg. Dec. 61 of April 11, 2002, containing the *“Regulations on criminal and administrative offences involving commercial companies, pursuant to Article 11 of Law 366 of October 3, 2001”*. The following cases in particular are covered:
 - Misleading corporate communications (Article 2621 Civil Code);
 - facts of minor importance (Article 2621-*bis* Civil Code);
 - false corporate communications by listed companies (Article 2622 Civil Code);
 - hindered control (Article 2625 Civil Code);
 - undue restitution of contributions (Article 2626 Civil Code);
 - illegal allocation of profits and reserves (Article 2627 Civil Code);
 - illegal operations on corporate shares or quotas or those of the parent company (Article 2628 Civil Code);
 - operations prejudicing the interests of creditors (Article 2629 Civil Code);
 - corruption between private individuals (Article 2635 Civil Code);
 - incitement to corruption (Article 2635-*bis* of the Civil Code);
 - fictitious formation of share capital (Article 2632 Civil Code);
 - improper allocation of company assets by liquidators (Article 2633 Civil Code);
 - unlawful influence on Shareholders’ Meetings (Article 2636 Civil Code);
 - stock manipulation (Article 2637 Civil Code);
 - non-communication of conflicts of interest (Article 2629-*bis* Civil Code);
 - hindering the exercise of duties of public supervisory authorities (Article 2638 Civil Code).

3. the offences of ***abuse of inside information and market manipulation*** referred to in Leg. Dec. 58 of February 24, 1998, as provided for in **Article 25-sexies** of the Decree (see Special Section III), introduced following the promulgation and entry into force of Law 62 of April 18, 2005, containing "*Provisions for the fulfilment of obligations deriving from Italy's membership of the European Community. Community Law 2004*" and amended by Leg. Dec. 107/2018 "*Rules for the adaptation of national legislation to the provisions of EU Regulation 596/2014*";
4. the offences of ***manslaughter*** (Article 589) **and *bodily harm or grievous bodily harm***, in the aggravated hypothesis referred to in Article 590 (3) of the Penal Code, if such offences are committed in breach of the rules on accident prevention and on the protection of hygiene and health at work, on the basis of the provisions of Article 9 of Law 123 of August 3, 2007, "*Measures on the protection of health and safety at work and delegation to the government for the reorganisation and reform of the legislation on the subject*", which introduced Article 25-septies into the Decree (see Special Section IV);
5. ***offences committed against industry and commerce*** as stipulated by Article 25-bis 1 of the Decree (see Special Section V), introduced following the promulgation and entry into force of Law 99 of 23/07/2009 containing "*Provisions for the development and internationalisation of businesses, as well as on energy*".
Article 25-bis 1 extends the administrative liability of entities for the offences of:
 - Disturbing the freedom of industry or commerce (Article 513 of the Penal Code);
 - unlawful competition with threats or violence (Article 513-bis Penal Code);
 - fraud against national industries (Article 514 Penal Code);
 - fraud in commerce (Article 515 Penal Code);
 - sale of non-genuine food substances as genuine (Article 516 Penal Code);
 - sale of industrial products with misleading signs (Article 517 Penal Code);
 - manufacture and trade of goods made by usurping industrial property rights (Article 517-ter Penal Code);
 - counterfeiting of geographical indications or designations of origin of agro-food products (Article 517-quater Penal Code).
6. the offences stipulated by Article 25-undecies of the Decree (introduced by Leg. Dec. 121 of July 7, 2011, amended by Law 68/2015, amended by Leg. Dec. 21/2018), "***environmental offences***", namely:
 - Environmental pollution (Article 452-bis Penal Code);
 - environmental disaster (Article 452-quater Penal Code);
 - unintentional offences against the environment (Article 452-quinquies Penal Code);
 - trafficking in and abandonment of highly radioactive material (Article 452-sexies Penal Code).
 - aggravating circumstances (Article 452-octies Penal Code);
 - killing, destruction, capture, sampling and holding of samples of protected wild animal or vegetable species (Article 727-bis Penal Code);
 - destruction or deterioration of habitats within a protected site (Article 733-bis Penal Code);
 - import, export, possession, use for profit, purchase, sale, exhibition or possession for sale or commercial purposes of protected species (Law 150/1992, Articles 1, 2, 3-bis and Article 6);

- discharge of industrial wastewater containing hazardous substances; discharge into the soil, the sub-soil and groundwater; discharge into the sea by ships and aircraft (Leg. Dec. 152/2006, Article 137);
 - unauthorised waste management activities (Leg. Dec. 152/2006, Article 256);
 - pollution of the soil, subsoil, surface water or groundwater (Leg. Dec. 152/2006, Article 257);
 - illegal trafficking of waste (Leg. Dec. 152/2006, Article 259);
 - violation of the obligations to communicate, to keep compulsory registers and forms (Leg. Dec. 152/2006, Article 258);
 - activities organised for the illegal trafficking of waste (Article 452-*quaterdecies* Penal Code);
 - false information on the nature, composition and chemical-physical characteristics of the waste in the preparation of a waste analysis certificate - area handling in the transport of waste (Leg. Dec. 152/2006, Article 260-*bis*);
 - offences relating to the protection of the ozone layer (Article 3, par. 6, l. 549/1993);
 - offences relating to the protection of the air and the reduction of emissions into the atmosphere (Article 279, para. 5, Leg. Decree 152/2006);
 - penalties (Leg. Dec. 152/2006, Article 279);
 - malicious pollution caused by ships (Leg. Dec. 202/2007, Article 8);
 - culpable pollution caused by ships (Leg. Dec. 202/2007, Article 9);
 - cessation and reduction of the use of harmful substances (Law 549/1993 Article 3).
7. the offence "*employment of third-country nationals with irregular residence permits*" as stipulated by Article 25-*duodecies* of the Decree, introduced by Leg. Decree 109/2012 of August 9, 2012.
8. *tax offences* as stipulated by Article 25-*quinqüesdecies* of Leg. Dec. 231/01 introduced by Law 157/2019 of 19 December 2019.

With regard to the **criteria for the subjective imputation of the offence**, the **culpability of the entity** is required, **inferred from the failure to adopt organisation, management and control models and the failure to supervise the conduct of employees** (Para. 1.2. of the General Section).

1.3 SANCTIONS PURSUANT TO LEG. DEC. 231/01

The **sanctions** stipulated in Article 9 Leg. Dec. 231/2001 are:

- a) administrative fines;
- b) prohibitory sanctions;
- c) seizure;
- d) publication of the sentence.

Specifically:

- a) The **pecuniary sanction** (Article 10 and following of the Decree), the imposition of which is compulsory in case of conviction, is applied with the quota system, as provided for by Article 11 of the Decree. The judge is called upon to make a two-phase judgement, designed to independently determine the number of quotas, linking it to the seriousness, objective and subjectivity of the offence; and to assign, therefore, an economic value to each individual quota, in relation to the economic and patrimonial conditions of the company, with the explicit aim of

"ensuring the effectiveness of the sanction". Quotas can range from 100 to 1000 with a value for each quota from Euro 258.23 to 1,549.37.

- b) By contrast, the **prohibitory sanctions** (Article 9 of the Decree) have been stipulated as they can have a profound effect on the organisation, the functioning and the activity of the entity. These sanctions, if the conditions are met, may also be applied as a precautionary measure (Article 45 and subsequent of the Decree).

The Legislature has deemed it appropriate to give prohibitory sanctions a subsidiary role within the system: in order for them to be imposed, in fact, they must be expressly provided for in relation to the individual types of offence, in addition to the particular seriousness of the offence, based on the disvalue of the "administrative" offence, or on the "dangerousness" of the entity itself, which, by repeatedly committing an offence, has shown itself to be insensitive to pecuniary sanctions (Article 13 of Leg. Decree 231/2001).

Prohibitory sanctions include:

- closure of the business;
- suspension or revocation of licences, concessions, or other authorisations involved in commission of the offence;
- prohibition on contracting with the public sector except where necessary to receive a public service;
- exclusion from benefits, financing, contributions and subsidies, in addition to the revocation of those already granted;
- prohibition on advertising goods or services.

Prohibitory sanctions have a minimum duration of three months and a maximum duration of two years, or longer in the cases indicated in Article 25, paragraph 5, as amended by Law No. 3 of January 9, 2019.

Law No. 3 of January 9, 2019, containing "Measures for combatting offences against the public administration and in the matter of transparency of political parties and movements" (the so-called *Spazzacorrotti* [Corruption Sweep] law) introduced specific regulations for the application of prohibitory sanctions to certain offences against the Public Administration, namely, extortion, simple and aggravated personal corruption due to the significant profit obtained by the entity, corruption in judicial acts, undue inducement to give or promise benefits, giving or promising to give money or other benefits to the public official or the person in charge of a public service by the briber, and incitement to corruption³.

- c) The **confiscation** (Article 19 of the Decree) of the price or profit of the offence, or by equivalence, is always ordered with the conviction, except for the part may be returned to the damaged party, pursuant to Article 19, Leg. Dec. 231/2001
- d) The **publication of the sentence** can only be ordered in the event that a prohibitory sanction is applied to the entity (Article 18 of the Decree).

³ In particular, the law has provided for a tightening of sanctions, establishing two separate punitive ranges according to the qualification of the offender: the prohibitory sanctions may last between 4 and 7 years if the offence is committed by a senior subject, and between 2 and 4 years if the offender is a subordinate party. On the other hand, the law has provided for the application of basic prohibitory sanctions in the measure referred to in Article 13, para. 2 of Decree 231 (3 months - 2 years) if the company, for the same offences mentioned and before the sentence of first instance, has taken steps to avoid further consequences of the offence and has collaborated with the judicial authority to secure evidence of the offence, to identify those responsible and has implemented organisational models suitable for preventing new offences and avoiding the organisational shortcomings that caused them.

In the case of attempted offences (Article 26 of the Decree), the pecuniary and prohibitory sanctions are reduced by one third to one half.

Finally, Article 23 of the Decree foresees the application of sanctions to the Entity in the event of transgression of the obligations or prohibitions inherent to the prohibitory sanctions or precautionary measures applied.

1.4 PREREQUISITES FOR EXCLUDING THE ENTITY'S LIABILITY

The unlawful act is attributable to the Entity only when it is the result of a criminal company policy, organisational fault or fault for failure to comply with management and supervisory duties.

Articles 6 and 7 of the Decree stipulate a **form of exoneration from responsibility**, if the Entity demonstrates that it has adopted and effectively implemented "Organisation, Management and Control Models" suitable for preventing the realisation of the offences considered and that it has set up a Control Board, with the function of supervising the functioning of and compliance with the Model.

More specifically, if the **offence is committed by high-level individuals**, the Entity is not liable if it proves:

- that it adopted and effectively implemented, prior to the commission of the offence, organisation and management models capable of preventing offences of the kind committed;
- that these organisational models were adequately checked and updated by a Supervisory Board with autonomous powers of initiative and control;
- fraudulent avoidance of the models by the perpetrators;
- that there was no omission or insufficient vigilance on the part of said Board.

Therefore, there is an inversion of the burden of proof, as once the offence has been committed it is up to the entity to demonstrate that it has adequately complied with the provisions of the law.

If, on the other hand, the **offence is committed by subordinates** (Article 7), the timely adoption and effective implementation of the Model, constituting fulfilment of the obligation of management and supervision on the part of top management, excludes the entity from punishment.

In accordance with the provisions of Article 6, paragraph 2 of the Decree, the Model must meet the following requirements:

- identify the risk areas in which offences may be committed;
- stipulate suitable protocols for planning the formation and implementation of the entity's decisions in relation to the offences to be prevented;
- identify suitable financial management policies to prevent commission of the offences;
- implement obligations to report to the Supervisory Board;
- establish disciplinary sanctions in the event of violation of the model or the Ethics Code issued by the organisation.

The Organisational Model is only effective if adopted before the offence is committed.

In order to ensure that activities are carried out in compliance with the law and to promptly detect and eliminate risk situations, the Model must take into account the nature and size of the company, in addition to the type of activity carried out by the company.

The effective implementation of the Model requires:

- a periodic check and possible modification of the same when significant violations of the prescriptions are discovered, or when changes occur in the company organisation, in the activity carried out, or at a legislative level;
- a disciplinary system suitable for sanctioning any failure to comply with the measures indicated in the Model (Para. 6 of the General Section);
- an adequate information-training plan for staff (*see* Para. 5 of the General Section).

2. BRIBERY ACT

In July 2011 the "Bribery Act 2010" came into force in the United Kingdom, regulating both corruption within the Public Administration and private corruption, repealing the previous legislation. The Bribery Act introduced a new type of liability for entities for corrupt acts committed for their benefit or in their interest, where such entities have not adopted adequate internal procedures to prevent such offences.

The legislation stipulates a number of offences in relation to corruption (namely: active bribery of public or private persons (Section 1); passive bribery of public or private persons (Section 2); bribery of a foreign public official (Section 6); failure by the company to prevent corruption (Section 7). It also introduces into British law the criminal liability of companies for corruption offences committed by persons acting in the name and on behalf of the company, whenever the company has not adopted internal organisational models designed to prevent such offences, or the company is not held liable for the actions of associated persons, if it can demonstrate that it has adopted adequate procedures to prevent corruption.

The concept of bribery (which of course already existed) is reiterated and the OECD international convention on illicit payments to foreign officials is implemented, contemplating "bribery" as the granting of an advantage to another person so that the latter behaves "improperly".

With regard to the company's criminal liability, the hypothesis of "strict liability" is formulated through the offence of "failure to prevent bribery": "failure of commercial organisations to prevent bribery". The company is liable for the actions of "associated persons" who, while performing services on its behalf, commit the offence of bribery in order to obtain or retain business or advantages for the company's business. Section 8 of the Bribery Act further provides that where there is an employment relationship between the company and the person acting on its behalf, that person is presumed, until proven to the contrary, to be performing services for the company.

The parallel between the British norm and that established by Leg. Dec. 231/2001 for the liability of private organisations (for public corruption offences the matter is handled by Law 190/12 and related Decrees, for example, Leg. Dec. 33/13 on Transparency) is evident, since the liability of the entity exists in the case of commission of a corruption offence by a person who has a qualified relationship with the entity pre-dating the commission of the offence, and provided that there are no organisational models and adequate procedures. However, unlike the provisions of the Italian legislation, the Bribery Act does not provide for the setting up of any internal supervisory body within the company, which is the counterpart of the "Supervisory Board" stipulated by the Italian regulations referred to in the aforementioned Leg. Dec. 231/2001.

By adopting appropriate measures, the entity can in fact defend itself by demonstrating that, despite the fact that corruption has taken place, adequate procedures existed to prevent such acts of corruption.

2.1 BRIBERY ACT PRINCIPLES

The Guidance, in addition to commenting on Sections 1, 6 and 7 of the Bribery Act (BA), lists the following guiding principles that companies can consider when implementing bribery prevention models:

- Principle 1 (Proportionate Procedures) - Procedures should be "one size fits all," i.e., proportionate to the risk of corruption and the nature, scale and complexity of the activities performed. This principle applies both to policies that help create an anti-corruption culture and to procedures that should include initial/continuing risk-assessment activities and controls designed to prevent unethical conduct.
- Principle 2 (Top-level commitment) - establish a culture of anti-corruption within the organisation regardless of its size as long as the messages are clear, unambiguous and regularly repeated to all staff and business partners. The anti-corruption culture is promoted through the commitment of the Company's top and senior management.
- Principle 3 (Risk Assessment) - know and monitor the risk of corrupt acts being committed in the industry and market.



- Principle 4 (Due Diligence) - know your business partners and enter into mutual agreements to combat corruption by conducting business relationships in a transparent and ethical manner.
- Principle 5 (Communication - including training) - go beyond strict regulatory and documentary compliance, integrating anti-corruption actions into the system of internal controls, personnel selection and remuneration policies, and external and/or internal communication/training initiatives.
- Principle 6 (Monitoring and review) - apply controls through audits and reviews, including external audits, if necessary, with transparent procedures, assessing the regularity with which internal policies and procedures should be reviewed.

In order to prevent the corruption offences contemplated in the Bribery Act, La Doria has conformed its Organisational Model to the principles contained in the Guidelines issued by the British Ministry of Justice, providing for the adoption of the Ethics Code, the preparation of suitable policies and procedures, such as for example *"PG F6.1 Management of relations with the Public Administration"*, *"PG F4.2 Management of gifts"*, *"PG F7.1_ Reporting to the Supervisory Board [SB]"*, monitoring of the controls implemented, the performance of a systematic identification and assessment of the risks for the commission of corruption offences (risk assessment) and the promotion of a culture of anti-corruption through both training and communication activities.

3. ADOPTION OF THE MODEL BY LA DORIA S.p.A.

3.1 LA DORIA

3.1.1 COMPANY PROFILE

La Doria is a leading producer of tomato-based products, fruit juices and beverages, canned pulses and ready-made sauces, principally for private labels.

The company has been listed on the Italian Stock Exchange since 1995, in the STAR segment, and boasts strong positions, particularly abroad.

3.1.2 THE CORPORATE GOVERNANCE MODEL

The La Doria S.p.A. Corporate Governance system is based on a set of regulations, conduct and processes formulated to guarantee efficient and transparent corporate governance and effective functioning of the corporate boards and control systems. The company complies with the principles and applicable criteria of the Self-Governance Code for listed companies, drawn up by the Corporate Governance Committee and issued by Borsa Italiana. Further details on La Doria's Corporate Governance Model can be found in the Annual Corporate Governance Report (www.gruppoloria.it in the respective sections dedicated to Corporate Governance).

3.2 THE INTERNAL CONTROL AND RISK MANAGEMENT SYSTEM

The Internal Control and Risk Management System is the set of rules, procedures and organisational structures implemented by management and all company personnel designed to enable safe, correct and efficient management of the Company, for its sustainable success, through an adequate process of identification, measurement, management and monitoring of the principal risks.

Internal control is therefore integrated within the business processes, in that it is carried out through actions focused on minimising the risks of not achieving the corporate objectives within these same processes.

The Company wished to adopt an effective Internal Control and Risk Management System, ensuring with reasonable security that it could reach the following corporate objectives:

- efficacy and efficiency of operations;
- reliability of financial disclosure;



- safeguarding of company assets;
- compliance with the law and regulations.
- sustainable success.

The Internal Control System is an integral part of the organisational and corporate governance structures adopted by La Doria and contributes, directly and indirectly, to preventing the predicate offences covered by the Decree.

The Board of Directors approves the "Guidelines for the Internal Control System", which are designed to represent the various elements of the Company's control and risk-management system (ICRMS) in an organic and efficient manner.

One of the fundamental elements of La Doria's Internal Control System is the Organisation, Management and Control Model, which seeks to prevent or reduce the risk of committing offences and administrative offences that could theoretically be committed within the scope of the Company's activities.

3.3 THE FUNCTION OF THE ORGANISATION, MANAGEMENT AND CONTROL MODEL

This "Organisation, Management and Control Model" was approved by the Board of Directors of the Company with a motion dated March 28, 2008 and has since been revised several times in order to incorporate the updated list of predicate offences as detailed in the "Summary of Revisions" on page 2. By adopting the Model and continuously updating it, La Doria intends to fully comply with the provisions of the law and, in particular, to comply with the principles underlying the Decree. This initiative, together with the adoption of the Ethics Code (motion of the Board of Directors of La Doria S.p.A. of March 28, 2008), was taken in the belief that the adoption of this Model, beyond the provisions of the Decree, can be a valid tool to raise awareness among all Company employees and any other subjects involved (Customers, Suppliers, Partners, collaborators), so that while performing their activities, they follow the correct and straightforward behaviours to prevent the risk of committing the offences provided for in the Decree. In addition, the reference to the Bribery Act in this document is intended to demonstrate La Doria's compliance with the most relevant national and international anti-corruption legislation.

3.3.1 THE CONFINDUSTRIA GUIDELINES

This Model is inspired by the "*Guidelines for the construction of Organisation, Management and Control Models*", drafted by Confindustria⁴.

The path indicated by the aforementioned for drafting the Model can be outlined according to the following fundamental steps:

- a) Identification of the **risk areas** to verify the company area/sector company in which the prejudicial events provided for by Legislative Decree 231/2001 may occur;
- b) Preparation of a control system capable of preventing risks through the adoption of appropriate protocols. This is supported by the co-ordinated set of organisational structures, activities and operating rules applied - on the instructions of the top management - by company management and staff, which are designed to provide reasonable certainty regarding the achievement of the aims inherent within a good internal control system.

The most relevant components of the control system identified by Confindustria are:

- a) Ethics Code
- b) Organisational system
- c) Manual and IT procedures
- d) Authorisation and signature powers
- e) Control and management systems
- f) Communication to and training of staff

⁴ "Guidelines for the Construction of Organisation, Management and Control Models pursuant to Leg. Dec. 231/2001" dated March 7, 2002, updated on July 21, 2014, and subsequent updates



The components of the control system must be aligned with the following principles:

- a) Verifiability, documentation, and consistency and appropriateness of each operation;
- b) Application of the principle of separation of duties (an entire process cannot to independently managed by one person);
- c) Documentation of controls;
- d) Provision of an adequate system of sanctions for violations of the Ethics Code and the procedures foreseen by the Model;
- e) Identification of the requirements of the Supervisory Board, such as: autonomy and independence;
- f) Supervisory Board informational obligations.

It should be noted that non-compliance with specific points of the Confindustria "Guidelines" does not in itself invalidate the validity of the Model. In fact, since the individual Model must be drafted with regard to the concrete situation of the Company to which it refers, it may well differ from the Guidelines which, by their very nature, are general in nature.

3.3.2 THE OBJECTIVES OF THE MODEL

These are the objectives pursued by this Model:

- the promotion, including through the strengthening of the Corporate Governance system, of a corporate culture designed to encourage ethical and legally compliant conduct;
- the establishment of a structured and organic system of procedures and control activities to reduce the risk of committing the crimes set out in the Decree, through the identification of sensitive areas and the provision of specific, suitable measures to manage the risks detected;
- the guarantee of timely intervention, through constant monitoring carried out by the Supervisory Board, the Internal Audit Department and the Managers of the individual company functions; the existence of obligations to report any anomalies, designed to prevent or counteract behaviours that may constitute offences or violations of the provisions of the Model and the Ethics Code (**ANNEX 1**).

With a view to achieving the aforementioned objectives, La Doria:

- has adopted a system of rules, represented by the Ethics Code (which sets out general guidelines) and by formalised procedures designed to regulate in detail the methods for making and implementing decisions in the areas at risk of commission of offences. These rules also seek to guarantee the documentation and/or verification of every operation carried out in these areas;
- has outlined a system of company proxies and powers of attorney that ensures a clear and transparent representation of the Company's decision-making and implementation process;
- has appointed **Internal Managers**, designated within the Organisational Units for each activity at risk and formally appointed by the Chief Executive Officers, who, in compliance with the criteria described below, constitute the first safeguard to prevent the risk of offences being committed;
- has defined organisational structures capable of overseeing appropriate behaviour, guaranteeing that tasks are clearly and organically allocated, applying an appropriate segregation of functions, and ensuring that the structures desired by the organisational structure are actually implemented;
- has set up a Supervisory Board composed of several people. This has been assigned specific tasks to monitor the effectiveness and correct functioning of the Model, and is in charge of updating and disseminating the same within the Company.



3.3.3 ADDRESSEES AND SCOPE

The first paragraph of Article 5 of the Decree establishes that the Entity is held liable in the event of offences committed in its interest or to its advantage by top management (lett.a) and by persons subject to the supervision and direction of the latter (lett.b).

As seen in paragraph 1.1, the Decree establishes different responsibility, depending on whether the crimes are committed by one or the other category of subjects indicated in Article 5.

As regards the category sub a), the Legislator refers to those who:

- hold formal positions within the Company, including Legal Representative, Director, General Manager, with the exception of the position of member of the Board of Statutory Auditors;
- perform management functions as the heads of specific Organisational Units;
- even where not formally appointed, actually carry out management and control activities of the Company.

With the expression "persons subject to the direction or supervision of others", the Legislator refers to all other employees of the Company, working within the Organisational Units and staff structures.

The following parties must also comply with this Model:

- subsidiary companies;
- all those who operate on behalf of or in the interest of La Doria and its subsidiaries;
- all those who, even if they are not part of the Company, work to achieve the aims and objectives of La Doria S.p.A. (external collaborators, customers/suppliers, partners, etc.).

The Model and the provisions contained and referred to therein must be complied with by company representatives and all personnel (including those employed and/or operating abroad, where existing) and, in particular, by those who carry out sensitive activities.

Those who perform services in the name of or on behalf of La Doria and who find themselves operating with British counterparts or in the United Kingdom, in addition to complying with the provisions of the Ethics Code and the "Organisation, Management and Control Model" must also comply with the legal provisions contained in the "Bribery Act".

3.3.4 THE MODEL WITHIN THE GROUP

Companies belonging to the Group means all Italian companies and operating companies directly or indirectly controlled by the Company, in addition to foreign companies and operating companies directly or indirectly controlled by La Doria S.p.A., which operate in Italy through a permanent establishment. The Company shall communicate this Model and any subsequent updates to the companies belonging to the Group, in the manner it deems most appropriate. By motion of their Boards of Directors, Administrators or Liquidators and under their own responsibility, Group companies independently adopt their own Organisation, Management and Control Models. Each Group company identifies its own activities at risk of crime and the appropriate measures to prevent them from being committed, in consideration of the nature and type of activity carried out, in addition to the size and structure of its organisation. Group companies base their own models on the principles of this Model and implement its contents, unless analysis of their own activities at risk shows the need to adopt different or further specific prevention measures beyond those indicated in this Model. Group companies shall inform the Company's Supervisory Board of any problematic aspects encountered in conforming their own Model to the provisions of this Organisation, Management and Control Model. Until the adoption of their own Model, Group companies ensure the prevention of offences by means of suitable organisational and internal control measures, following the guidelines of the Parent Company in terms of both procedures and controls set up as part of the Group's internal control system.

Each Group company oversees the implementation of its own Model and appoints its own Supervisory Board. It should be noted that La Doria does not exercise management and co-ordination over its English subsidiary.



3.4 ETHICS CODE

La Doria approved its own Ethics Code by motion of the Board of Directors on March 28, 2008. The document has undergone two revisions. The most recent was approved at the meeting on November 14, 2019. The main objective of the Ethics Code is to instil in all La Doria employees the ability to share and develop conduct that encourages sustainable growth by promoting respect for diversity and developing a real culture of integrity. It represents an official document that clearly and transparently defines the set of values that the Company places at the basis of the management of its industrial and commercial activities, and is designed to guide the conduct of all those who interact with it for any reason.

To this end, the Ethics Code recommends, promotes and/or prohibits the performance of certain behaviours, integrating the provisions of the criminal and civil laws in force and any obligations provided for by related collective and individual bargaining.

The Ethics Code (**ANNEX 1**) is an integral and substantial part of this Model. As such, violations of the provisions contained therein represent actual violations of the Model, with all the consequences that this entails regarding the application of disciplinary sanctions.

3.5 PREPARATION OF THE MODEL

In line with the provisions of the Decree and the Guidelines prepared by Confindustria, La Doria prepared a first draft of the Model, which was approved by the Board of Directors on March 28, 2008. In the years since, the Model has been constantly updated to ensure that it is in line with the corporate structure and applicable legislation.

The Model is the result of analyses relating to the organisational features of the Company, the type of sector in which it operates, the reference legislation and the risks attributable to the economic sector to which it belongs.

Specifically, in drawing up the Model the areas at risk of "offences" were identified through a risk assessment methodology divided into:

- review of the organisational chart;
- analysis of the Entity's "history" regarding the commission of events with criminal significance, investigating the eventual judicial precedents concerning the Company, its employees, or its representatives;
- carrying out documentary analysis activity to identify the operating methods adopted, with particular reference to elements potentially related to unlawful conduct that could give rise to offences under Leg. Dec. 231/01;
- identification of the company processes relating to activities and obligations to analyse and map the "crime risk areas";
- definition of specific sensitive activities, within the "crime risk areas";
- interviews with managers of departments directly involved in the processes connected with and related to activities and obligations, for the operational assessment of: (i) the level of "inherent risk" based on predictions regarding the processes outlined in the Company's existing Procedures; (ii) the effectiveness of the consolidated corporate practice implemented for the purposes of preventing the risks of commission of offences; and (iii) the level of "residual risk".

With regard to each at-risk activity, some specific control principles have also been indicated. These seek to prevent the commission of the offences themselves in the areas in question.



In implementation of the provisions of the Decree, Article 6, paragraph 1, letter b), this Model was approved by the Board of Directors of La Doria S.p.A., which also appointed the members of the Supervisory Board (hereinafter also referred to as the SB).

3.5.1 STRUCTURE OF THE MODEL

The Model consists of a "General Section" and a "Special Section". The latter is divided into Sections corresponding to the different categories of offences considered to be of possible risk for La Doria, covered by Decree 231/01. In the "General Section", after an examination of the most relevant provisions of the Decree and the methods used to adopt it, the essential components of the model are illustrated. These make particular reference to the Supervisory Board, staff training and the dissemination of the Model within the company, the disciplinary system and the measures to be adopted in the event of non-compliance with the provisions of the Model. As regards the "Special Section", La Doria has chosen to consider the types of offence of possible risk with regard to the characteristics of the Company and exclude those less likely to be committed. The special section consists of seven sections, the first of which is dedicated to offences against the Public Administration, the second to Corporate offences, the third to market abuse, the fourth to the offence of Manslaughter, bodily harm and grievous bodily harm committed in violation of workplace accident prevention, health and hygiene legislation, the fifth to Offences against Industry and Commerce, the sixth to Environmental Crimes, the seventh to the offence of Employment of third-country nationals whose residence permit is irregular and the eighth to Tax Crimes.

Each Section of the Special Section is divided into several paragraphs relating to:

- a description of the case (*Para. 1 of each Section*);
- the principles of conduct (*Para. 2 of each Section*);
- to the general principles of control (*Para. 3 of each Section*);
- the areas at risk, divided into subsections indicating the individual offences that may be committed, the functions potentially involved in the sensitive processes, an example of how offences can be committed, in addition to the principles of specific controls (*Para. 4 of each Section*);
- the flow of information to the Supervisory Board (*Para. 5 of each Section*).

The following also form an integral part of the Model:

- the La Doria S.p.A. Ethics Code (ANNEX 1);
- the company organisation chart and job descriptions (for internal use);
- the structure of powers and the system of delegation (for internal use);
- The management systems adopted by the Company (for internal use).

3.5.2 AMENDMENTS AND UPDATES

Amendments and additions to the Model are the responsibility of the Board of Directors of La Doria S.p.A., on the initiative of the Supervisory Board or Top Management after informing the Supervisory Board.

The Board formulates proposals to update and adapt the Model, in particular in the event of:



- a) significant violations of the Model which are attributable to shortcomings of the same. Violations are considered "significant" whenever they take the form of conduct that contravenes the provisions of the Model or demonstrate, because of the importance of the precepts infringed or by the number of violations committed, that the Model itself is not effectively observed within the Company;
- b) significant changes in the Company's organisation or in the Company's activities;
- c) changes in the law.

For amendments relating to the protocols referred to in the Model, or deriving from changes in the Company's organisation, the Board of Directors delegates powers to the **Chief Executive Officer**, who has the power to grant and revoke, in turn, ad hoc delegations to the Managers of the individual Functions. In these cases the Supervisory Board must also be consulted in advance, without prejudice to its power of initiative. If it expresses a justified refusal of the proposed changes, the decision must be referred to the Board of Directors. At least once a year, the Board of Directors shall ratify any changes made by the Chief Executive Officer or persons delegated by him/her.

The progress of individual operations and the identification of violations - or, in any case, of any critical points in the procedures - may be reconstructed in order to make suitable and timely corrections. This is ensured by the use of forms to guarantee information flows to the Supervisory Board (ANNEX 2) and by the adoption of registers concerning contacts with the Public Administration (ANNEX 3).

As regards changes in Company organisation (see letter b), **the Human Resources Manager** must promptly inform the Supervisory Board of any strategic, organisational and business changes (including following a contraction in the areas of activity). This allows the Board to assess the significance of such changes and the possible need for intervention in terms of additional procedures or controls or the elimination of any that have been made redundant.

4. SUPERVISORY BOARD

4.1 NATURE AND FUNCTIONS

As noted in paragraph 1.1.3, Article 6, paragraph 1 letter b) of the Decree requires the establishment of a Supervisory Board (hereinafter also referred to as the Board or SB) as a further condition for exemption from administrative liability. The SB has autonomous powers of initiative and control and is called upon to supervise the functioning and observance of the Model and oversee updates to it.

According to the regulations, the Board must have autonomous powers of initiative and control, must avoid omitted or insufficient vigilance and must comply with the information obligations foreseen by the Model.

The SB must carry out its duties with the competence and diligence required by the nature of the task.

In view of the size of the Company and the number of sensitive activities in which the Company is engaged, the Supervisory Board of La Doria S.p.A. is composed of a number of members and is appointed by the Board of Directors.

This composition allows for considerable synergy of information and control activities.

In order to carry out the functions indicated in the Decree, the SB is, among other things, called upon to:

- verify, on the basis of a Plan approved on an annual basis, the effectiveness of the Model in relation to Company structure and its effective capacity to prevent the commission of the offences referred to in the Decree, proposing any updates to the Model, also considering any regulatory interventions and/or changes in the organisational structure or Company activities and/or significant violations;
- on the basis of the Plan, monitor the validity of the Model over time, promoting (also after consultation with the relevant company structures), all the necessary actions to ensure its effectiveness.
- periodically prepare reports for Top Management (see paragraph 4);

- share the training activities carried out for the dissemination, awareness and understanding of the Model;
- detect any behavioural deviations emerging from analysis of information flows and reports, communicating such violations to the DRU for the application of any sanctions provided for by the Disciplinary System.

The Supervisory Board has both **freedom to access** the information necessary for the exercise of its functions and powers, and **freedom of initiative** as regards checks on compliance with and implementation of the Model at the Company structures deemed to be at risk of offence.

All company departments, employees and members of corporate bodies are therefore **obliged to comply with requests for information** issued by the Supervisory Board.

The activities carried out by the SB may not be reviewed by any corporate body or structure.

In order to carry out its functions, the Board:

- has adopted internal regulations governing aspects relating to the performance of its activities (determination of the timeframe for controls, identification of criteria and analysis procedures, etc.), in addition to a plan of the checks to be carried out;
- has access to any information or data deemed useful, including by means of a request to the managers of the Company structures concerned;
- seeks the assistance of other relevant Company functions as required;
- makes use, where necessary, of external consultants with proven professionalism and experience, in compliance with the procedures established within the Company for the assignment of consultancy contracts.

The Board may delegate specific tasks to one of its members, with the obligation to report to the other members. In any case, the collegial responsibility of the Board remains also with regard to the functions delegated or carried out for it by the corporate structures.

4.2 COMPOSITION AND APPOINTMENT

On the basis of the indications contained in the Decree (as interpreted by case law to date) and of the suggestions provided by the "Guidelines" issued by Confindustria, also taking into account the size and organisational structure of the Company, La Doria has set up a Supervisory Board with a multi-subject composition comprising three members.

The appointment of the Board is the responsibility of the Board of Directors, which chooses its members from among persons meeting the following requirements:

- **autonomy and independence**, with reference to their organisational positioning, guaranteeing the autonomy of the control from any form of interference and/or conditioning by any part of the Company, in addition to the non-allocation of operational tasks that could undermine their objectivity of judgement;
- **professionalism**, with reference to the identification of members in possession of adequate knowledge, tools and techniques for carrying out the tasks assigned;
- **continuity of action**, with reference to the establishment of a function that is permanently dedicated to monitoring compliance with the Model.

The presence of a person within the organisation (i.e. the Head of the Internal Audit function) who remains at all times close to sensitive areas and is in any case not assigned to perform active administrative functions, facilitates the exercise of the functions of the SB, through the provision of specific technical expertise. The SB may avail itself of the information and technical support of all company Departments/Functions.

4.3 TERM OF OFFICE, EXPIRY AND REVOCATION OF THE SUPERVISORY BOARD

Unless otherwise specified, the members of the Supervisory Board shall remain in office for three years.

The following constitute causes of ineligibility and/or forfeiture of the Supervisory Board:

- a confirmed conviction for one of the crimes provided for by Legislative Decree 231/2001;
- confirmed conviction for a penalty that entails disqualification, even temporarily, from holding public office;
- temporary disqualification from holding managerial positions in legal persons and companies;
- conflict of interest, even potential, with the Company or its subsidiaries, such as to compromise their independence;
- direct or indirect ownership of equity interests sufficient to permit the exercise of notable influence over the Company or its subsidiaries;
- positions as Executive Director held in the three financial years preceding appointment as member of the Supervisory Board in companies subject to bankruptcy, compulsory administrative liquidation or similar procedures.

If one of the above-mentioned reasons for replacement or integration or ineligibility and/or forfeiture should arise in relation to a member, he/she shall immediately inform the other members of the Supervisory Board and shall automatically be removed from office. The Supervisory Board notifies the Board of Directors of this fact in order to formulate a proposal for replacement. Members who have an employment relationship with the Company shall automatically cease to hold office in the event of termination of said relationship and regardless of the reason for the termination.

By Board motion, and after consultation with the Board of Statutory Auditors, the Board of Directors may revoke the appointment of members of the Board at any time but only for just cause. It may also suspend the functions and/or powers of the Board and appoint an interim Board or revoke powers.

The following shall constitute just cause for removal of members:

- the identification of a serious breach by the Supervisory Board in the performance of its duties;
- failure to inform the Board of Directors of a conflict of interest, even potential, that precludes the role of member of the Board itself;
- a confirmed conviction or a plea bargaining sentence for the Company, if the documentation shows that the Supervisory Board failed to carry out or insufficiently supervised its activities;
- the violation of confidentiality obligations with regard to news and information acquired in the exercise of the functions of the Supervisory Board;
- a conviction, even if not final, or the application of a penalty upon request ("plea bargaining"), in Italy or abroad, for violations relevant for the purposes of the administrative liability of entities pursuant to Legislative Decree 231/2001;
- a conviction, even if not final, or a "plea bargaining" sentence with a penalty that entails the disqualification, even temporarily, from holding public office, or the temporary disqualification from holding management positions in legal persons and companies.
- for members linked to the Company by an employment relationship, the initiation of disciplinary proceedings for facts that may lead to the dismissal.



If an appointment is revoked without just cause, the member revoked has the right to apply for immediate reinstatement.

4.1 REPORTING TO CORPORATE BOARDS

The Supervisory Board of La Doria S.p.A. is assigned two reporting lines:

1. the first, directly with the Chairperson/CEO;
2. the second, periodically to the Board of Directors and the Board of Statutory Auditors, mainly in order to report on:
 - the activities carried out and its own observations on the effectiveness and efficiency of the Model, with an indication of the checks carried out and their outcome and any anomalies detected;
 - the possible need to update, supplement or amend the Model, following legislative interventions or changes in the corporate or organisational structure.

The SB shall promptly report in writing to the Board of Directors or the Board of Statutory Auditors should it detect any violations of the Model by members of these bodies.

The activity of the Supervisory Board is systematically reported on a six-monthly and annual basis.

4.5 INFORMATION FLOWS BETWEEN SBS WITHIN THE GROUP

Each Group company falling under Italian jurisdiction appoints its own autonomous and independent Supervisory Board. The Supervisory Board of the Company may request information from the Supervisory Boards of Group companies, where necessary for the purposes of carrying out its own control activities. The Supervisory Boards of Group companies periodically draw up a report for the Company's Supervisory Board, indicating any significant facts that have emerged in the course of their activities, the disciplinary sanctions applied and any significant changes made to their model. The Supervisory Boards of the Group companies shall promptly inform La Doria's Supervisory Board in the event of any violation of their model, Ethics Code or preventive protocols. And the latter shall report to the Board of Directors of the Company the information referred to in this point.

5. INFORMATION FLOWS TO THE SUPERVISORY BOARD

5.1 REPORTING BY COMPANY REPRESENTATIVES OR THIRD PARTIES

In addition to the documentation prescribed in the individual parts of the Model, the Supervisory Board must also be informed of all information, including that originating from third parties, concerning the implementation of the Model itself in the areas of activity at risk, gathered by the Internal Audit Department. The information generally concerns all news relating to the commission of the offences provided for by the Decree and subsequent laws in relation to the Group's activities or to conduct that is not in line with the rules of conduct adopted by the Group.

La Doria has adopted a specific whistleblowing procedure “PG F7.1_ Reporting to the SB” which defines the informational channels available for the reception, analysis and processing of reports of violations of the Organisation, Management and Control Model pursuant to Leg. Dec. 231/01 and, more generally, the entire corporate procedural system. Anyone who becomes aware of violations may therefore report them freely and directly to the Supervisory Board at the e-mail address organismodivigilanza@gruppoladoria.it, through the company website in the Corporate Governance section or in writing, also anonymously, to the address Via Nazionale 320, 84012 Angri.

Reports of all violations or suspected violations of the Model, whether made in writing, orally or electronically, are collected and filed by the Supervisory Board.



The Supervisory Board is required to act in such a way as to protect whistleblowers against any form of retaliation, discrimination or penalisation and ensure the confidentiality of the whistleblower's identity, without prejudice to legal obligations and the protection of the rights of La Doria or of persons accused wrongly and/or in bad faith. In the event that the report is confirmed, disciplinary sanctions will be applied not only to the reported person, but also to anyone who violates the measures for the protection of the reported person, in addition to anyone who, with malice or serious misconduct, makes reports that are found to be baseless⁵.

5.2 DISCLOSURE OBLIGATIONS CONCERNING OFFICIAL ACTS

The Supervisory Board must receive, in a timely manner, the following information (even if originating from Group companies):

- a) measures and/or notices from legal authorities, or any other authority, that require investigations to be carried out, including against unknown persons for the offences covered by the Decree and subsequent extensions;
- b) requests for legal assistance communicated by Directors, Executives and/or other employees in the event of legal proceedings being initiated for the offences covered by the Decree and subsequent extensions;
- c) information relating to the effective implementation, at all company levels, of the Model, with evidence of the disciplinary proceedings carried out and any sanctions imposed (including measures against employees), or of the measures for dismissing such proceedings with the relative reasons.

All communications sent to the Board must be in writing and may also be sent by email to organismodivigilanza@gruppoladoria.it.

The SB and each of its members, in addition to those parties that the SB uses to carry out its functions (whether internal or external to the company), may not be subject to retaliatory consequences of any kind as a result of the activity carried out.

5.3 ROLE OF INTERNAL MANAGERS

The Internal Managers are the Supervisory Board's direct contacts for all information and control activities. Where the activities carried out are particularly complex or numerous, the Internal Manager - without prejudice to his/her own responsibilities - may entrust his/her tasks to other subjects identified in his/her own Organisational Unit, communicating the relative names to the Supervisory Board.

Upon request, **Internal Managers** send the Board:

- information flow sheets (Annex 2) drawn up whenever operations are carried out in at-risk processes;
- registers of contacts with the Public Administration (Annex 3).

Internal Managers:

- a) supervise the smooth running of the operation for which they are the contact persons;
- b) inform collaborators and subordinates of the risks of crime associated with the Company's operations;

⁵ This approach (adopted definitively with Law No. 179/17) strengthens the deterrent effectiveness of the disciplinary system, which was, instead, weakened in the previous formulation of the measure, which focused only on sanctions to protect the reporting parties. Law No. 179/17 also supplements Article 6 of Decree 231 with two additional provisions. Paragraph 2-ter provides that the reporting party and the relevant trade union organisation may report any discriminatory measures adopted by the entity to the National Labour Inspectorate. Paragraph 2-quater expressly sanctions the invalidity of retaliatory or discriminatory measures, including dismissal and changes of duties, taken against the reporting party. In the event of disputes relating to the imposition of disciplinary sanctions or the adoption of additional organisational measures following the report that have with negative effects on the working conditions of the reporter (demotion, dismissal, transfers), the employer must demonstrate that such sanctions are based on reasons unrelated to the report itself.

- c) for each operation relating to at-risk activities, prepare and retain the relevant documentation and summarise its contents for the Supervisory Board in a form of information flows to the SB (Annex 2), according to the guidelines indicated in paragraph 4.4 below;
- d) report any anomalies or violations of the Model identified to the Supervisory Board, along with any facts considered relevant;
- e) contribute to updating the risk system for their own area of activity and inform the Supervisory Board of the modifications and interventions considered necessary;
- f) following consultation with the Supervisory Board, propose to the competent Organisational Unit any organisational and management solutions to reduce the risks relating to the activities they oversee.

Upon appointment, the Internal Manager shall sign a specific declaration of knowledge of the contents of the Decree and of the Organisational Model.

Furthermore, the Internal Manager must promptly inform the SB of any events that may be relevant for the purposes of overseeing the effectiveness, efficacy and updating of the Model, including any events relating to the existence of possible violations thereof.

5.4 INFORMATION FLOW SHEETS

In order to guarantee the effectiveness of the Model, supervisory activity is supported by documents (Annex 2) drawn up by the Department/Function Managers of La Doria S.p.A.

At a minimum, each form should include:

- a) the date;
- b) the type of document to be submitted to the Supervisory Board;
- c) the subject of the document;
- d) the reason for the report;
- e) the manager and other entities/functions involved;
- f) any notes from the Manager.

5.5 REGISTERS OF CONTACTS WITH THE PUBLIC ADMINISTRATION

The registers of contacts with the Public Administration (Annex 3) are documents in which internal managers record contacts with public counterparts (inspections by a public official, external visits by internal managers to Public Administration offices, faxes, verbal or written contacts). The system of contact registers - a direct application of the principle of the traceability of operations and indicated by the "Guidelines" as one of the objectives to be pursued through the Organisational Model - is fundamental to the effective implementation of the Model and the effective provision of information to the Supervisory Board.

At a minimum, each register should include:

- a) the date;
- b) a description of the operation (type of contact, reason, type of P.A.) and the name of the Internal Manager involved;
- c) any documentation submitted to the Public Administration;
- d) the main obligations relating to the operation;
- e) the outcome of the contact and action to be taken.



La Doria S.p.A. has adopted a procedure called *"PGF6 Relations with the Public Administration"* to manage relations with the Public Administration.

6 TRAINING AND COMMUNICATION

La Doria S.p.A. promotes knowledge of the Model, its internal protocols and updates to them among all employees, who are therefore required to be familiar with its contents, comply with it and contribute to its implementation.

New hires are given a briefing note when they are hired.

For the purposes of implementing the Model, the Human Resources Department manages personnel training in collaboration with the Supervisory Board. Training courses are delivered through the e-learning platform. The full version of the Model is published on the Company intranet, while only the General Section is published on the website.

External collaborators, customers/suppliers and partners are informed, through publication on the website, of the contents of the Model (including in excerpt form) and of La Doria's requirement that their conduct comply with the Model.

7 DISCIPLINARY SYSTEM

7.1 FUNCTIONING OF THE DISCIPLINARY SYSTEM

The definition of a system of sanctions (to be commensurate with the type of infringement and in any case with a deterrent function) to be applied in the event of violation of the rules of conduct set out in the Model, ensures the effectiveness of the supervisory and preventive action entrusted to the Supervisory Board and seeks to guarantee the efficacy of the Model itself.

The Model imposes rules of conduct to prevent the commission of the offences referred to in the Decree and, more generally, to ensure the correct application of internal procedures.

The rules imposed by the Model are adopted by La Doria in full autonomy, given the need to ensure compliance with the regulatory precepts to which it is subject.

The application of an appropriate disciplinary system is essential to the functionality of the Model; any application of disciplinary sanctions for the violation of these rules is independent of the occurrence and outcome of any criminal proceedings.

Specifically, the current disciplinary system is based on the principles of specificity of the offence, proportionality and adequacy between the offence and the sanctions, timeliness and immediacy of the sanctions.

7.2 PROVISIONS

7.2.1 EMPLOYEES

Any conduct by employees in violation of the individual rules of conduct set out in this Model is defined as a disciplinary offence.

As regards the sanctions that may be imposed on said employees, these fall within those provided for in the Company's Disciplinary Regulation, in compliance with the procedures provided for in Article 7 of the Workers' Statute and any applicable special regulations.

In relation to the above, the Model makes reference to the categories of sanctionable behaviour foreseen by the existing system of sanctions.

These categories describe the conduct sanctioned according to the level of significance which the particular facts dictate and the actual sanctions established for the committal of such conduct according to their gravity. Specifically, the "Criteria of correlation between employee misconduct and disciplinary measures" contained in the current National Collective Bargaining Agreement for Food provides that:



1) Any worker who violates the internal procedures set out in this Model (e.g. minor non-compliance with the prescribed procedures, failure to communicate the information required to the Supervisory Board, etc.) or adopts behaviour that does not comply with the prescriptions of the Model itself when carrying out activities in at-risk areas, shall be subject to the measures of VERBAL WARNING, WRITTEN WARNING, FINE OR SUSPENSION, as these behaviours must be considered a "non-execution of the orders given by the company both in written and verbal form" referred to in the aforementioned "Criteria of correlation".

2) DISMISSAL WITH NOTICE shall be applied for any worker who:
in the performance of activities in at-risk areas, commits a serious violation of the prescriptions of this Model in committing one or more of the offences contemplated by the Decree causing serious damage or harm to the Company, such behaviour being recognised as an "act that radically undermines the company's trust in the worker" as referred to in the aforementioned "Criteria of correlation".

3) Finally, DISMISSAL WITHOUT NOTICE shall be applied for any worker who:
in the performance of activities in at-risk areas at risk, maliciously operates in violation of the prescriptions of this Model, such as to incur the concrete application against the company of the measures provided for by the Decree. Such behaviour must represent conduct such as to cause "serious moral and/or material damage to the Company" and to constitute a "crime as defined by law", as set out in the aforesaid "Criteria of correlation".

The disciplinary system is constantly monitored by the Human Resources Department.

7.2.2 GENERAL MANAGER AND EXECUTIVES

In the event that the internal procedures provided for by this Model are violated by Executives, or that in the performance of activities in at-risk areas an Executive should adopt conduct that contravenes the prescriptions of the Model itself, the most suitable measures will be applied to the persons responsible in accordance with the provisions of the National Collective Bargaining Agreement for Industrial Executives.

7.2.3 DIRECTORS & STATUTORY AUDITORS

In the event of violation of the Model by Directors of La Doria S.p.A., the Supervisory Board will inform the Board of Directors and the Board of Statutory Auditors.

Considering that the Directors of La Doria S.p.A. are appointed by the Company's Shareholders' Meeting, in the event of a final conviction for events in which the Company's administrative responsibility has been concretely ascertained, the Shareholders' Meeting will be called to resolve on the revocation of the mandate.

7.2.4 EXTERNAL COLLABORATORS AND PARTNERS

Any behaviour adopted by external Collaborators or Partners that contravenes the lines of conduct indicated in this Model and which entails the risk of committing an offence covered by the Decree may result in the termination of the contractual relationship, through the activation of appropriate clauses. The Legal Department, with the collaboration of the Supervisory Board, is responsible for drafting, updating and inserting such specific contractual clauses into the letters of appointment or partnership agreements.

8. CONFIRMATION OF MODEL APPLICATION AND ADEQUACY

In order to verify its effective functioning, the Organisational Model is subject to monitoring activities which are based on a plan of operational checks or the reports received.



A review is also undertaken of all the reports received during the year, of the actions taken by the SB and the other subjects involved, of the events that are considered to present risks, of staff awareness of the offences covered by the Decree, of the relevant regulations and of any necessary updates.

The outcome of this audit is included in the annual report that the Supervisory Board prepares for the Company's Board of Directors, and highlights possible shortcomings and suggestions for action to be taken.