ORGANISATION, MANAGEMENT AND CONTROL MODEL

RATIONAL PRODUCTION S.R.L.

pursuant to Legislative Decree no. 231 dated 08 June 2001 and subsequent amendments and integrations:

TABLE OF CONTENTS

General Section

Special Section

Special Section A - Code of Ethics
Special Section B - Organisational Structure
Special Section C - System of delegations and powers
Special Section D - System of sanctions
Special Section E - Crimes against the Public Administration and against the State
Special Section F - Crimes related to counterfeiting money, public credit documents, revenue stamps and distinctive instruments or signs
Special Section G - Corporate crimes
Special Section H - Crimes against the person
Special Section I - Crimes related to safety in the workplace
Special Section J - Crimes related to receiving, laundering and using money, goods or profits of unlawful origin, including self-laundering
Special Section K - Transnational Crimes referred to in Law No. 146 dated 16 March 2006
Special Section L - Cybercrimes and unlawful data process
Special Section M - Crimes against industry and trade
Special Section N - Crimes related to copyright infringement
Special Section O - Crimes related to organised crime
Special Section P - Crime pursuant to art. 377 *bis* of the c.c.
Special Section Q - Structure, composition, regulations and functioning of the Supervisory Board
Special Section R - Environmental crimes
Special Section S - Crime involving the employment of third-country nationals with irregular residence status
Special Section T - Tax crimes
Special Section U - Smuggling crimes
Special Section V - Crimes relating to payment methods other than cash
Criminal Handbook
Preventive Protocols Handbook
Whistle-blowing Procedure

1. LEGISLATIVE DECREE No. 231 DATED 8 JUNE 2001

Legislative Decree No 231 of 8 June 2001 on the «Regulation of the administrative liability of legal entities, companies and associations, including those without legal personality, pursuant to Art. 11 of Law No 300 of 29 September 2000» (in short: the "Decree"), in force since 4 July 2001, was introduced to bring Italian legislation regarding the liability of legal entities in line with the international conventions which the Italian government had previously signed, such as:

- the Brussels Convention dated 26 July 1995 relating to the protection of the European Community's financial interests,
- the Brussels Convention dated 26 May 1997 on the fight against corruption involving public officials of both the European Community and the Member States,
- the OECD Convention dated 17 December 1997 on the fight against corruption of foreign public officials with regard to economic and international transactions.

With this Decree, it was introduced in our legal system, at the expense of legal entities (in short: "the company") a system of administrative liability - equivalent de facto to criminal liability([1]) -, which is added to the liability of the natural person who has materially committed the criminal acts in question and aims to involve, in the punishment thereof, the companies in whose interest or advantage the crimes in question were committed.

The liability provided for by the Decree is also applicable to crimes committed abroad, provided that no prosecution is brought against them by the State where the offence was committed.

The entity's liability subsists even if the perpetrator of the offence has not been identified and subsists even if the offence is expired against the offender for a reason other than amnesty or statute of limitations.

The administrative sanctions against the entity are time-barred, unless the statute of limitations is interrupted, within five years from the date of the crime.

1.1. Rule of law

The entity's liability is based on the limits provided for by the law: the entity «cannot be held liable for an act constituting an offence, if its [criminal] liability relating to that offence and the relevant sanctions are not expressly provided for by a law that became effective before the occurrence of the act» (art. 2 of the Decree).

1.2. Objective criteria for the imputation of liability

There are three types of objective criteria for imputation of liability:

a) The occurrence of a criminal offence referred to in the Decree by art. 24 to art. 25 *duodecies.*

b) The offence must have been committed «in the interest or advantage of the entity».

([1]) There are four elements inferring the "criminal" nature of this liability: 1) it stems from an offence in the sense that the offence is a prerequisite for the sanction; 2) it is established under the guarantees of a criminal trial and by a criminal magistrate; 3) it entails the application of criminal sanctions (fines and prohibitory sanctions); 4) guilt plays a central role, by applying the principle of culpability.

Interest and/or advantage

Another constitutive element of this liability is the need for the alleged unlawful conduct to have been committed in the interest or to the advantage of the Entity.

The interest or advantage of the Entity is also regarded as the basis of the Entity's liability where the interests or advantages of the offender or of third parties coexist, with the only limitation being when the interest in committing the offence by a person in a qualified position within the entity is exclusive to the offender or a third party.

As no exempting effect has been recognised for the exclusive "advantage" of the offender or third parties, but only - as stated - for the exclusive interest of these persons, the Entity shall be held liable even if it does not gain any advantage whatsoever or if there is an exclusive advantage to the offender or third parties, provided that the Entity has an interest, possibly concurrent with that of third parties, in the commission of the offence perpetrated by persons holding a qualified position in its organisation.

Apart from the aforementioned clarifications, the liability provided for by the Decree arises therefore, not only when the offending conduct has resulted in favour of the Entity itself, but also in the event that, notwithstanding the absence of such a tangible result, the unlawful act was in the interest of the Entity. In short, the two terms express different legal concepts and represent alternative presuppositions, each with its own autonomy and scope of application.

With regard to the meaning of the terms 'interest' and 'advantage', the Government Report accompanying the Decree attributes to the former a markedly subjective value, susceptible to an *ex ante* assessment - the so-called usefulness finalisation -, and the latter has a markedly objective value - referring, therefore, to the factual outcome of the acting party's conduct who, even though not directly targeting an interest of the entity, nevertheless obtained an advantage in its favour through his conduct - susceptible to *ex post* assessment.

The essential characteristics of interest have been identified in: objectivity, understood as independence from the personal psychological convictions of the offender and in its correlative necessary grounding in external elements susceptible to verification by any observer; concreteness, understood as the inscription of the interest in relationships that are not merely hypothetical and abstract, but actually subsisting, to safeguard the principle of offensiveness; actuality, in the sense that the interest must be objectively subsistent and recognisable at the time when the fact has been detected and must not be future and uncertain, as otherwise the damage to the asset necessary for any unlawful act which is not configured as mere danger would be missing; not necessarily of economic significance, but also attributable to company policy.

In terms of content, the advantage attributable to the Entity - which must be kept separate from profit - may be: direct, i.e. attributable exclusively and directly to the Entity; or indirect, i.e. mediated by results obtained by third parties, but susceptible to positive repercussions for the Entity; economic, although not necessarily immediate.

The "group" interest

The Supreme Court of Cassation (Sect. V, 17 November 2010 - 18 January 2011, p.p. Court of Bari in the trial. Tosinvest Servizi s.r.l. and others) addresses for the first time the controversial issue regarding the criteria for imputation of the administrative liability governed by Legislative Decree No. 231 of 2001 to the *holding* or other companies belonging to a group in which one or more entities are directly subject to the aforesaid liability due to the criminal conduct of persons in a qualified position pursuant to Art. 5 paragraph 1.

The judgements previously intervened on a profile that was completely ignored by the current legal system, despite the widespread phenomenon of corporate groups in modern economic realities, had already partly marked, although with different emphasis, the guidelines for the extent of administrative liability to the various components of a group of companies.

An initial limit to the expansive nature of the aforementioned liability has been identified in the subjective imputation criterion postulated by the Decree, according to which there must be a qualified relationship between the entity (be it the holding company, the parent company or the subsidiary) whose position is being discussed and the perpetrator of the alleged offence, who must hold an executive role within that entity, or subordinate to persons exercising management or supervisory prerogatives therein (Court of Milan, 20 December 2004, in *www.rivista231.it*; Court of Milan, 14 December 2004, Cogefi, in *Foro It.*, 2005, II, 527).

An additional factor for the extension of liability was then identified in the so-called "group interest", sometimes evoked in the dimension attributed to it by the Civil Code, following the reform of company law, as well as by civil case law (Court of Milan, 20 September 2004, Comp. Ivri Holding and others, in *Foro It.*, 2005, 556), on other occasions, moving from the imputation criteria outlined in the Decree (in particular art.s 5 para. 2 - 12 para. 1 letter a) - 13 last paragraph) read in light of the substantial links existing between the various entities involved (Examining magistrate Court of Milano, 26 February 2007, Fondazione M. and others, in *The Administrative Responsibility of Companies and Entities,* 2007, 4, 139). From the perspective outlined above, given that the entity is not liable only if the offender has acted exclusively in its own interest or in the interest of a third party, it was decided to exclude, due to the inevitable repercussions that the conditions of the subsidiary have on the holding company, the possibility that the advantages obtained by the subsidiary as a result of the parent company's activity may be considered to have been obtained by a third party, or that the activity of the latter may be considered to have been carried out exclusively in the interest of a third party (Court of Milan, 20 December 2004, cit.). Ultimately, the liability of the legal entity within the scope of which occupies a qualified position the perpetrator of the crime committed in the interest or for the benefit of other components of the same business aggregation, presupposes without any doubt that there are links or connections between the entities in question that do not make it possible to qualify the favoured entity as a third party, because, upstream, the crime committed is objectively intended to satisfy the interest of more than one person, among which is the legal entity that the person responsible for the incriminated conduct belongs to (Epidendio, sub *art. 5 Leg. Dec. no. 231 dated 8 June 2001,* cit., 9458

In the case before the Supreme Court, the trial judge, at the preliminary hearing, found that some members of the group of companies headed by the perpetrator of the alleged corrupt conduct had profited from that conduct, whereas other companies, even though belonging to the same financial group, did not obtain any significant advantage from it, so that they could not be held liable under the Decree.

In response to an appeal seeking to emphasise that, in reality, the leading individual prosecuted for bribery was also a de facto director of the companies considered not to be involved, the Supreme Court judges set out the three conditions that must necessarily be met in order to establish the liability of a legal entity, i.e. the commission of one of the alleged crimes provided for by the Decree, the commission of the offence by a person linked to the legal entity by organisational-functional relationships, and finally the pursuit of an interest or the attainment of an advantage for the entity, both to be proven as factual.

With specific reference to the holding company as well as the other companies of the group, other than the one on whose behalf the perpetrator of the alleged offence has acted, the second of the three conditions outlined above may be regarded as being met if the person acting on behalf of those companies concurs with the individual who committed the alleged offence, since a generic reference or the fact that the entity belongs to the same group as

the one directly held liable is not decisive in this respect.

With regard to the additional presupposition of the interest or advantage, the holding company or other group company may be held liable under the provisions of the Decree only in cases where a potential or actual benefit, even if not necessarily of a pecuniary nature, is obtained from the commission of the alleged offence, which must be proven as factual.

Ultimately, the Supreme Court judge would seem to endorse the thesis according to which the interest of the entity (holding company, controlling company or subsidiary) in the commission of the alleged offence cannot be deduced from the asserted existence of a separate interest of the group to which it belongs, but rather from the factual recognition of the interest pursued through the commission of the offence and by determining whether it may also be attributed to the legal entity in question, in light of the factual or legal ties existing between the various entities of the corporate group, and in particular with the entity directly associated with the principal perpetrator of the offending conduct.

Interest and/or advantage in negligent crimes

The legislation on the criminal liability of entities is generally based on alleged crimes of a fraudulent nature.

The introduction of negligent crimes relating to safety in the workplace - provided for by law No.123, 3 August 2007 ("new" art. 25 *septies* later repealed and replaced by art. 300 Leg. decree No. 81 dated 9 April 2008) - has in any case reiterated the absolute importance of the question concerning the subjective matrix of the imputation criteria.

From this point of view, if on the one hand it is argued that in negligent crimes the conceptual association interest/advantage must be referred not to unintended wrongful events, but to the conduct of the person in carrying out his/her activity, on the other hand it is argued that the negligent offence, from a structural point of view, is hardly reconcilable with the concept of interest.

Consequently, in this context, it is conceivable, at best, to hypothesise how the omission of due conduct imposed by precautionary regulations - intended to prevent accidents in the workplace - could result in a containment of corporate costs, liable to be qualified ex post as an "advantage " (for instance, the failure to provide protective equipment or failure to maintain any type of equipment due to cost-cutting requirements).

c) The criminal offence must have been committed by one or more qualified persons, i.e. "persons holding representative, administrative or management positions within the entity or within one of its organisational units with financial and operational autonomy", or by those who "exercise, even de facto, the management and control" of the entity (persons in so-called «senior position»); or «by persons subject to the direction or supervision of a senior manager».(so-called «subordinates»).

Therefore, the perpetrators of the offence from which the entity may incur administrative liability may be: 1) persons in a "senior position", such as, for example, the legal representative, the director, the general manager or the manager of an operational unit, in addition to persons who are responsible, also de facto, for the management and control of the entity; 2) "subordinate" persons, typically employees, but also persons not belonging to the entity, who have been entrusted with a task to be carried out under the direction and supervision of senior management.

If several persons participate in the commission of the crime (hypothesis of aiding and abetting in the offence pursuant to art. 110 of the criminal code), it is not necessary for the "qualified" person to carry out the action typically provided for by criminal law. It is sufficient for him/her to knowingly contribute to the perpetration of the offence.

1.3. Subjective criterion for the imputation of liability

The subjective criterion of imputation of liability materialises where the offence reflects a connotative direction of company policy or is at least dependent on organisational misconduct.

The provisions of the Decree exclude the liability of the entity if the latter - prior to the commission of the offence - has adopted and effectively implemented an «organisation and management model» (in short: "model") suitable for preventing the commission of crimes similar to the one committed.

The entity's liability, in this respect, is attributable to the «failure to adopt or comply with due *standards*» relating to the entity's organisation and business activity; failure attributable to the company policy or to structural and prescriptive failures in the company's organisation.

1.4. Types of contemplated crimes

The operational scope of the Decree covers the following crimes:

- *crimes against the Public Administration or to the detriment of the State (art.s 24 and 25 of the Decree):*

Misappropriation of public funds (art. 316 *bis* of the Italian Criminal Code, in short c.c.);
Undue receipt of funds against the State (art. 316 *ter* of the c.c.);
Fraud against the State or other public organisation or for the purpose of exempting someone from military service (art. 640 paragraph 2 No.1 of the c.c.);
Aggravated fraud to obtain public funds (art. 640 *bis* of the c.c.);
Computer fraud (art. 640 *ter* of the c.c.);
Bribery for an official act (art. 321 of the c.c.);
Bribery for the performance of an official act (art. 318 of the c.c.);
Solicitation and attempted bribery (art. 322 of the c.c.);
Abuse of power (art. 317 of the c.c.);
Bribery to obtain an act in breach of official duties (art.s 319, 319 *bis* and 321 of the c.c.);
Bribery in judicial proceedings (art.s 319 *ter,* paragraph 2 and 321 of the c.c.);
Undue inducement to give or promise benefits (art. 319-*quater*);
Bribery of a public servant (art. 320 of the c.c.);
Embezzlement, extortion, bribery and solicitation and attempted bribery of members of European Community bodies and officials of European Communities and foreign States (art. 322 *bis* of the c.c.).

- pursuant to the promulgation and implementation of Decree-Law No. 350 dated 25 September 2001, converted with amendments into Law No. 409 dated 23 November 2001, and pursuant to the integrations

made by the promulgation and implementation of Law No. 99 of 2009, *the crimes indicated in art. 25 bis of the Decree, namely crimes relating to counterfeiting money, public credit documents, revenue stamps and distinctive instruments or signs:*

Counterfeiting money, or conspiring to spend or introduce counterfeit money into the Italian State (art. 453 of the c.c.);
Counterfeit money (art. 454 of the c.c.);
Spending or introducing counterfeit money into the Italian State not in conspiracy with others (art. 455 of the c.c.);
Spending counterfeit money received in good faith (art. 457 of the c.c.);
Counterfeiting of revenue stamps, introduction into the Italian State, purchase, possession or circulation of counterfeit revenue stamps (art. 459 of the c.c.);
Counterfeiting watermarked paper used for the manufacture of public credit documents or stamp paper (art. 460 of the c.c.);
Manufacture or possession of watermarks or instruments designed to counterfeit money, revenue stamps or watermarked paper (art. 461 of the c.c.);
Use of counterfeit or altered revenue stamp (art. 464 of the c.c.).
Counterfeiting, altering or using trademarks or distinguishing marks, or patents, models and/or drawings (art. 473 of the Italian Code of Criminal)
Introducing into the Italian State and trading in products bearing counterfeit marks (art. 474 of the Italian c.c.)

- Pursuant to the promulgation and implementation of Legislative Decree No. 61 dated 11 April 2002, as amended by Law No. 262 dated 28 December 2005, and pursuant to the amendments made by the promulgation of Law No. 69 dated 27 May 2015, *the crimes set out in art. 25* ter *of the Decree, namely corporate crimes:*

False corporate records statements (art. 2621 of the Italian Civil Code);
False corporate records statements of moderate extent (art. 2621 *bis* of the Italian Civil Code);
False corporate records statements in listed companies (art. 2622 of the Italian Civil Code);
False statements in mandatory prospectus (art. 2623 of the Italian Civil Code – art. 173 *bis* 1 No. 58, 24 February 1998)
False statements in reports or communications of audit firms (art. 2624 of the Italian Civil Code - repealed by art. 37 c. 34 of Legislative Decree no. 39/2010 and replaced identically by art. 27 of the same decree, under the following heading: "False statements in the reports or communications of the statutory auditors")
Obstruction of control activities (art. 2625 of the Italian Civil Code); - paragraph 1 amended by art. 37 c. 35 of Legislative Decree No. 39/2010 and recalled by art. 29 of the same decree);
Undue reimbursement of contributions (art. 2626 of the Italian Civil Code);
Illegal allocation of profits or reserves (art. 2627 of the Italian Civil Code);
Unlawful transactions in the stock of the company or its controlling company (art. 2628 of the Italian Civil Code);
Transactions prejudicial to creditors (art. 2629 of the Italian Civil Code);
Fictitious formation of corporate capital (art. 2632 of the Italian Civil Code);
Undue distribution of corporate assets by liquidators (art. 2633 of the Italian Civil Code)
Corruption in the private sector (art. 2635 of the Civil Code);
Solicitation of bribery in the private sector (art. 2635 *bis* of the Civil Code)
Unlawful influence on shareholders' meetings (art. 2636 of the Italian Civil Code);
Stockjobbing (art. 2637 of the Italian Civil Code);
Obstruction of public authorities activities (art. 2638 of the Italian Civil Code);

- following the promulgation and implementation of Law No. 7 dated 14 January 2003, *the crimes listed in art. 25 quater of the Decree, i.e. the so-called Crimes committed for the purposes of terrorism and subversion of the democratic order provided for in the c.c. and special laws*.

- pursuant to the promulgation and implementation of Law No. 7 dated 9 January 2006, *the crimes listed in art. 25 quater.1 of the Decree, i.e. the so-called crimes related to female genital mutilation practices*

- pursuant to the promulgation and implementation of Law No 228 dated 11 August 2003 and amended by Law No 38 dated 6 February 2006 and Legislative Decree No. 39 dated 4 March 2014, *the crimes set out in art. 25* quinquies *of the Decree, i.e. crimes against the individual governed by Section I of Chapter III of Title XII of Book II of the c.c.*.

- following the promulgation and implementation of Law No. 62 dated 18 April 2005, *the crimes listed in art. 25 sexies of the Decree, i.e., among the crimes provided for in Part V, Title I bis, Chapter II of the Consolidated Act referred to in Leg. decree No. 58 dated 24 February 1998, those relating to market abuse:*

Abuse of privileged information (art. 184 Leg. decree No. 58 dated 24 February 1998);
market manipulation (art. 185 of Leg. Decree No. 58 dated 24 February 1998);

- following the promulgation and implementation of the law «Ratifying and executing the Convention and Protocols of the United Nations against transnational organised crime adopted by the General Assembly on 15 November 2000 and 31 May 2001», definitively approved and published in the Official Gazette on 11 April 2006, *the transnational crimes referred to in Law No. 146 dated 16 March 2006*, namely the crimes of:

Criminal conspiracy (art. 416 of the c.c.);
Mafia-type crime syndicates (art. 416-bis of the c.c.)
Criminal conspiracy involving the contraband of tobacco processed abroad (art. 291-quarter of Presidential Decree No. 43 dated 23 January 1973);
Criminal conspiracy to traffic in mood-altering or psychotropic drugs (art. 74 of Presidential Decree No. 309 dated 09 October 1990);
Money laundering (art. 648-*bis* of the c.c.);
Use of money, assets or gains from illicit sources (art. 648-*ter* of the c.c.);
Crimes relating to migrant trafficking provided for in art. 12 paragraphs 3, 3 *bis*, 3 *ter* and 5 of Leg. Decree No. 286 dated 25 July 1998;
Obstruction of justice: Inducement not to give statement or to give an untruthful statement before the judicial authority (art. 377 *bis* of the c.c.);
Obstruction of justice: aiding and abetting (art. 378 of the c.c.).

- following the promulgation and implementation of Law No. 123 of 3 August 2007, the crimes provided for in art. 25 septies *committed in violation of occupational health and safety regulations*, i.e. the crimes of:

Manslaughter committed in breach of the regulations on occupational health and safety (art. 589 of the c.c.);

Serious or very serious personal injuries committed in breach of the regulations on occupational health and safety (art. 590 of the c.c.).

- Following the promulgation and implementation of Legislative Decree No. 231 dated 21 November 2007 and pursuant to the amendments introduced by Law No. 186 dated 15 December 2014, *the crimes provided for in art. 25 octies (Receiving, laundering, or using money, assets or profits of unlawful origin, and self-laundering),* namely the crimes of:

Handling stolen goods (art. 648 of the c.c.)
Money laundering (art. 648-*bis* of the c.c.);
Use of money, assets or utilities of illicit origin (art. 648-*ter* of the c.c.);
Self-money laundering (art. 648 *ter*. 1 of the c.c.)

- following the promulgation and implementation of Law No. 48 dated 18 March 2008, *the crimes provided for in art. 24 bis,* i.e. the crimes of computer crime and unlawful processing of data:

Malicious hacking of an IT or data transmission system (art. 615 *ter* of the c.c.)
Illegal wire-tapping, obstruction or shut-down of IT or data transmission communications (art. 617 *quater* of the c.c);
Installation of equipment used to wire-tap, obstruct or shut down IT or data transmission communications (art. 617 *quinquies* of the c.c.);
Damage to IT or data transmission systems (art. 635 *quater* c.c.);
Damage to IT information, data and computer programmes used by the Italian State or other public organisation, or by an organisation providing public services (art. 635 *ter* of the c.c.);
Damage to computer or communication systems (art. 635 *quater* of the c.c.);
Damage to IT or data transmission systems of public interest (art. 635 *quinquies* of the c.c.)
Digital documents (art. 491 *bis* of the c.c.);
Computer fraud by the provider of digital signature certification services (art. 640 *quinquies* of the c.c.)

- following the promulgation and implementation of Law No. 94 of 2009, *the crimes provided for in art. 24* ter, i.e. crimes related to organised crime:

Criminal conspiracy (art. 416 of the c.c.);
Conspiracy to commit one of the crimes referred to in art.s 600, 601 and 602 of the c.c. (art 416, paragraph 6 of the c.c.)
Mafia-type crime syndicates (art. 416-*bis* of the c.c.);
Political and Mafia-related vote-rigging: (art 416 *ter* of the c.c.);
Kidnapping for ransom or extortion (art. 630 of the c.c.);
Criminal conspiracy to traffic in mood-altering or psychotropic (art. 74 of Presidential Decree No. 309 dated 09 October 1990);

- following the promulgation and implementation of Law No. 99 of 2009, *the crimes provided for in art 25* bis.*1*, i.e. Crimes against industry and trade:

Interference with the freedom of industry and trade (art. 513 of the c.c.);
Unlawful competition through threat or violence (art. 513 *bis* c.c.);
Fraud against national industries (art. 514 of the c.c.);
Fraudulent trading (art. 515 of the c.c.);
Sale of non-genuine foodstuffs as genuine (art. 516 of the c.c.);
Sale of industrial products with false or misleading marks (art. 517 of the c.c.);
Manufacture and trade of goods made by misappropriating industrial property rights (art. 517 *ter* of the c.c.);
Counterfeiting of geographical indications or designations of origin of agricultural and food products (art. 517 *quarter* of the c.c.);

- following the promulgation and entry into force of Law No. 99 of 2009, *the crimes provided for in art. 25* novies, i.e. crimes relating to copyright infringement:

art. 171 paragraphs 1a. *bis* and 3 l. 22 April 1941 no. 633, Protection of copyrights and other rights pertaining to its exercise;
art. 171 *bis* 1 No. 633 dated 22 April 1941;
art. 171 *ter* l. No. 633 dated 22 April 1941;
art. 171 *septies* l. No. 633 dated 22 April 1941;
art. 171 *octies* l. No. 633 dated 22 April 1941;

- following the promulgation of Law No. 116 of 3 August 2009, *the offence provided for in art. 25* decies, namely the crime of Inducement to refrain from making statements or to make false statements to judicial authorities (art. 377 *bis* of the c.c.), on a national level.

- Following the promulgation of Legislative Decree No. 121 dated 7 July 2011 and pursuant to the amendments made by Law No. 68 dated 22 May 2015, *the crimes provided for in art. 25* undecies, namely environmental crimes:

Environmental pollution (art. 452 *bis* of the criminal code);
Environmental disaster (art. 452 *quater* of the Italian criminal code);
Negligent offences against the environment (art. 452 *quinquies* of the c.c.);
Trafficking and abandonment of highly radioactive material (art. 452 *sexies* of the c.c.);
Killing, destruction, capture, taking or possession of protected species of specimens of protected wild fauna and flora species (art. 727 *bis* of the c.c.);
Destruction or deterioration of habitats within a protected area (art. 733 *bis* of the c.c.);
Articles 137, 256, 257, 258, 259, 260, 260 *bis* and 279 leg. decree No. 152 dated 3 April 2006 Environmental regulations;
Articles 1, 2 and 3-*bis*, 1 No 150 dated 7 February 1992, Discipline of crimes relating to the enforcement in Italy of the Convention on International Trade of Endangered Animal and Flora Species, signed in Washington on March 3, 1973, pursuant to law No. 874 dated 19 December 1975, and Regulation (EEC) No. 3626/82, and subsequent amendments, including regulations for the marketing and possession of live mammal and reptile specimens that may constitute a hazard to public health and safety;
art. 3 1. No 549 dated 28 December 1993, Measures to protect stratospheric ozone and the environment;

Articles 8 and 9, Leg. decree No 202 dated 6 November 2007, Implementation of Directive 2005/35/EC on ship-source pollution and subsequent sanctions.

- following the promulgation of Leg. Decree No. 109 dated 16 July 2012, *the offence provided for in art. 25* duodecies, i.e. the offence relating to the employment of third-country nationals with irregular residence status Amended by Law No. 161/2017:

Art 22, paragraph 12-*bis* of leg decree No. 286 dated 25 July 1998;
Art 12, paragraph 3, 3-*bis,* 3-*ter and* 5 *of* leg. decree No. 286 dated 25 July 1998;

- following the promulgation of Law No. 167/2017, the offence provided for in art. 25 *terdecies* on racism and xenophobia:
  art. 3c. 3-*bis* of Law no.146 dated 13 October 1975

- following the promulgation of Law No. 39 dated 3 May 2019, *the crimes provided for in art. 25* quaterdecies, i.e. the crimes of fraud in sporting competitions and illegal gambling or betting and games of chance using prohibited devices:

Articles 1-4 of Law No. 401 dated 13 December 1989.

- Following the promulgation of Leg. Decree No 124 dated 26 October 2019 - subsequently integrated by Leg. decree No 75 dated 14 July 2020 -, *the crimes provided for in art. 25* quinquiesdecies, i.e. tax crimes:

Fraudulent declaration through the use of invoices or other documents for non-existent operations provided for in Art. 2, paragraph 1 of Leg. Decree no. 74/2000;
Fraudulent declaration through the use of invoices or other documents for non-existent operations, provided for in Art. 2, paragraph 2-bis of Leg. Decree no. 74/2000;
Fraudulent declaration through other devices, provided for in article 3, Leg. decree 74/2000;
Issuing invoices or other documents for non-existent operations, provided for in Art. 8, paragraph 1 of Leg. decree 74/2000;
Issuing invoices or other documents for non-existent operations, provided for in Art. 8, paragraph 2-bis of Leg. decree 74/2000;
Concealment or destruction of accounting documents, provided for in Art. 10 of Leg. Decree No.74/2000;
Fraudulent removal from the payment of taxes, provided for in article 11 of Legislative Decree No. 74/2000;
False declaration (art. 4 of Leg. Decree No. 74/2000);
Omitted declaration (art. 5 of Leg. Decree No. 74/2000);
Undue compensation (art. 10 quater of Leg. Decree No. 74/2000).

- Following the promulgation of Leg. Decree No 75 dated 14 July 2020, *the crimes provided for in art. 25* sexiesdecies, i.e. smuggling crimes:

Smuggling goods across borders and customs violations (art. 282 Presidential Decree No. 43/1973);
Smuggling goods across bordering lakes (art. 283 Presidential Decree No. 43/1973);
Maritime smuggling of goods (art. 284 Presidential Decree No. 43/1973);
Aviation smuggling of goods (art. 285 Presidential Decree No. 43/1973);

Smuggling through free-trade zones (art. 286 Presidential Decree No. 43/1973);
Smuggling of goods through improper use of customs facilities (art. 287 Presidential Decree No. 43/1973);
Smuggling through customs warehouses (art. 288 Presidential Decree No. 43/1973);
Smuggling and circulation of goods in violation of cabotage laws (Art. 289 Presidential Decree No. 43/1973);
Smuggling of exports subject to export restitution (art. 290 Presidential Decree No. 43/1973);
Illicit temporary importation or exportation (Art. 291 Presidential Decree No. 43/1973);
Smuggling of foreign tobacco products(Art. 291 bis Presidential Decree No. 43/1973);
Aggravating circumstances relating to the crime of smuggling foreign tobacco products (Art. 291 *ter* Presidential Decree No. 43/1973);
Criminal conspiracy involving the smuggling of tobacco processed abroad (art. 291-quarter of Presidential Decree 43/1973)
Other instances of smuggling (Art. 292 Presidential Decree No. 43/1973);
Aggravating circumstances of smuggling (Art. 295 Presidential Decree No. 43/1973).

- following the promulgation of Leg. Decree No. 184 dated 18 November 2021, and pursuant to the amendments made by Leg. Decree No. 195 dated 18 November 2021, the crimes provided for in Art. 25-octies.1, i.e. crimes relating to non-cash means of payment:

Undue use and falsification of credit cards or payment cards (Art. 493-ter of the c.c.);
Possession and distribution of equipment, devices or computer programs aimed at committing offences regarding non-cash means of payment (Art. 493-quater of the c.c.);
Computer fraud (art. 640-ter of the c.c.);

- as a result of Law no. 22 dated 9 March 2022 establishing the regulations on crimes against cultural heritage provided for in Art. 25 septiesdecies of Leg. Decree no. 231/2001, i.e.:

art. 518-bis of the c.c. “Theft of Cultural Property”
art. 518-ter of the c.c. “Misappropriation of Cultural Property"
art. 518-quater of the c.c. “Receipt of cultural property”
art. 518-octies of the c.c. “Falsification of private deeds relating to cultural property”
art. 518-novies of the c.c. “Unlawful Transfer of cultural property”
art. 518-decies of the c.c. “Illicit importation of cultural property"
art. 518-undecis of the c.c. “Illicitly transferring abroad or exporting cultural property”
art. 518-duodecies of the c.c. “Destruction, dispersal, deterioration, defacing, soiling, and illegal use of cultural or landscape assets
art. 518-quaterdecies of the c.c. “Counterfeiting works of art”

- as a result of Law no. 22 dated 9 March 2022 establishing provisions on crimes against cultural heritage provided for in Art. 25 duodevicies of Legislative Decree no. 231/2001, i.e.:

art. 518-sexies of the c.c. “Laundering of cultural assets”
art. 518-terdecies of the c.c. “Devastation and looting of cultural and landscape assets”

1.5. Crimes committed abroad

Pursuant to Art. 4 of the Decree, the entity may be held liable in Italy in connection with crimes committed abroad.

The assumptions on which this liability is founded are:

a) the offence must be committed abroad by a person who is functionally linked to the company;

b) the company must have its registered head office within the territory of the Italian State;

c) the company can only be held liable in the cases and under the conditions provided for in Art.s 7, 8, 9 and 10 of the criminal code, and where the law provides for the offender - a natural person - to be held liable at the request of the Minister of Justice, proceedings are brought against the company only if said request is also made against it;

d) if the cases and conditions provided for in the aforementioned articles of the criminal code subsist, the company shall be held liable provided that the State of the place where the act was committed does not prosecute it.

1.6. Sanctions

The administrative sanctions for administrative criminal offences are:

- pecuniary sanctions;
- prohibitory sanctions;
- confiscation of assets;
- publication of the sentence.

In the case of administrative criminal offences, pecuniary sanctions always apply. The judge determines the pecuniary sanction taking into account the seriousness of the fact, the degree of liability of the Company, as well as the action taken by the Company to eliminate or mitigate the consequences of the fact or to prevent the further commission of offences.

The pecuniary sanction is reduced if:

- the perpetrator of the crime committed the act mainly in his own interest or in the interests of third parties and the entity did not receive any advantage or only a minimal advantage from it;
- the pecuniary damage caused is relatively small;
- the company has fully compensated the damage and has either eliminated the damaging or dangerous consequences of the crime or taken effective steps in that direction;
- the company has adopted and implemented an organisational model capable of preventing crimes similar to the one occurred.

prohibitory sanctions apply when at least one of the following conditions is met:

- the company has gained a significant profit from the crime - committed by one of its employees or by a senior manager - and the commission of the crime was caused or facilitated by serious organisational shortcomings;
- in the event of repeated crimes.

In particular, the main prohibitory sanctions are:

- temporary suspension from conducting the company's business;

- the suspension or revocation of authorisations, licences or concessions that were instrumental to the commission of the offence;
- the prohibition to enter into negotiations with public administrations, except for obtaining the performance of a public service;
- exclusion from benefits, loans, grants and subsidies, and/or revocation of those already granted, if any;
- prohibition to advertise goods or services.

When necessary, prohibitory sanctions may also be applied jointly.

The confiscation of the proceeds or profit of the offence is always ordered against the entity upon conviction, except for the part that can be returned to the offended party. The rights obtained in good faith by third parties are not affected.

Confiscation may also be carried out on an 'equivalent' basis, i.e. where confiscation cannot be ordered in relation to the price or profit of the offence, it may be ordered with regard to sums of money, assets or other utilities with a value equivalent to the price or profit of the offence.

The publication of the sentence may be ordered when a prohibitory sanction is imposed on the Company.

If the conditions for the application of a prohibitory sanction leading to the temporary suspension of the company's business are applicable, the judge, instead of applying such sanction, may order the business to be continued by a judicial commissioner appointed for a period equal to the duration of the ban that would have been applied, if at least one of the following conditions is met: a) the company provides a service of public interest, which, if suspended, can seriously affect the community b) the temporary suspension of the company's business may cause a major impact on employment considering the size of the company and the economic conditions of the area where it is located.

The profit from the continuation of the activity is confiscated.

Prohibitory sanctions may also be applied permanently.

A definitive ban from conducting business may be ordered if the company has significantly profited from the offence and has already been sentenced, at least three times in the last seven years, to a temporary ban from conducting business.

The judge may impose on the company, by way of final judgement, the prohibition to negotiate with Public Administrations or the prohibition to advertise assets or services if it has already been sentenced to the same sanction at least three times in the last seven years.

If the company or one of its organisational units is permanently used for the sole or predominant purpose of permitting or facilitating the commission of crimes for which it is held liable, a permanent ban on conducting business activities is always ordered.

In this context, Art. 23 of the Decree becomes relevant, providing for the offence of «Failure to comply with prohibitory sanctions».

This offence is committed if, while conducting the Entity's activity that has been subject to a prohibitory sanction, the obligations or prohibitions imposed by the sanction are breached.

Furthermore, if the Entity makes a substantial profit from the commission of the aforementioned offence, different and additional prohibitory sanctions may be applied in addition to those already imposed.

For instance, the offence could be committed in the event that the Company, even though being banned from negotiating with Public Administrations, still participates in a public tender.

1.7. Prohibitory and in rem precautionary measures

As a precautionary measure, a prohibitory sanction, a preventive or conservative confiscation may be applied against the company under proceedings.

The precautionary prohibition measure - which consists in the temporary application of a prohibitory sanction - is ordered in the presence of two requisites: a) when there are serious indications that the company is liable for an administrative offence committed as a result of a crime (serious indications exist where one of the conditions provided for in Art. 13 of the Decree is fulfilled: the company has profited significantly from the offence - committed by one of its employees or by a senior manager - and the commission of the offence was determined or facilitated by serious organisational flaws; in the event of repetition of the offence; b) when there are well-founded and specific indications pointing to a concrete risk that crimes similar to the one being prosecuted may be committed.

The in rem precautionary measures consist of preventive seizure and attachment.

Preventive seizure is ordered in relation to the proceeds or profit made from the offence, when the offence is attributable to the company, regardless of whether there are serious indications of guilt against the company.

Attachment is ordered in relation to movable or immovable assets of the company as well as in relation to any sum of money or property owed to it, if there are reasonable grounds to believe that the collateral for payment of the fine, procedural costs and any other sum due to the State Treasury is missing or dispersed.

Also in this context, Art. 23 of the Decree becomes relevant, providing for the offence of «Failure to comply with prohibitory sanctions».

This offence is committed if, while conducting the Entity's activity that has been subject to a precautionary prohibition measure, the obligations or prohibitions imposed by such measures are breached.

Furthermore, if the Entity makes a substantial profit from the commission of the aforementioned offence, different and additional disqualification measures may be applied in addition to those already imposed.

For example, the offence could be committed if the company, despite the fact of being subject to a precautionary prohibition measure banning it from negotiating with public authorities, participates in a public tender.

1.8. Actions exempt from administrative liability

Art. 6 paragraph 1 of the Decree provides for a specific form of exemption from administrative liability if the offence was committed by persons in so-called «senior positions» and the Company proves that:

the management adopted and effectively implemented, before the commission of the offence, a suitable model to prevent such crimes;

has delegated to an internal body of the entity, the so-called Supervisory Board - vested with autonomous powers of initiative and control -, the task of supervising the implementation and compliance with the model in question, as well as ensuring its updating;

persons in so-called «senior positions» committed the offence by fraudulently circumventing the model;

there was no omission or insufficient control by the so-called Supervisory Board.

Art. 6 paragraph 2 of the Decree also states that the model must meet the following requirements:

- identify the corporate risks, i.e. activities where crimes may be committed;
- rule out the possibility that any person operating within the Company may justify his or her conduct by alleging ignorance of company regulations and avoid the possibility that, in the normal course of events, the offence may be caused by an error - also due to negligence or inexperience - in the assessment of company directives;
- introduce an effective disciplinary system to sanction non-compliance with the measures required by the model;
- identify methods for managing the financial resources necessary for preventing the crimes;
- provide a system of preventive controls that cannot be circumvented if not intentionally;
- set out obligations to provide information to the Supervisory Board responsible for monitoring the functioning of and compliance with the model.

Art. 6 paragraph 2 *bis* of the Decree - introduced by Law No. 179 (*Whistle-blowing*) dated 30 November 2017 - stipulates that the model must provide:

- one or more channels enabling the persons indicated in Art. 5 paragraph 1, letters a) and b), to submit, for the protection of the entity's integrity, detailed reports of unlawful conduct, of relevance under this Decree and based on precise and concordant factual evidence, or of violations of the entity's organisational and management model, which have come to their attention in the course of their duties; these channels guarantee the confidentiality of the whistle-blower identity when handling the report;
- at least one alternative whistle-blowing channel capable of guaranteeing the confidentiality of the identity of the whistle-blower using computerized methods;
- a ban on acts of retaliation or discrimination - direct or indirect - against the whistle-blower for reasons connected directly or indirectly to the report;
- in the disciplinary system adopted pursuant to paragraph 2 letter e), sanctions against those who violate the measures to protect the whistle-blower, as well as those who carry out, with malice or gross negligence, reports that prove to be unfounded.
- Art. 7 of the Decree provides for a specific form of exemption from administrative liability if the offence was committed by so-called «subordinate» but it is established that the Company, prior to the commission of the offence, had adopted a model capable of preventing similar crimes to the one committed.

Namely, in order to be exempt from administrative liability, the company must:
- adopt a Code of Ethics stipulating principles of conduct in relation to the types of crimes;
- define an organisational structure capable of ensuring a clear and organic allocation of tasks, implementing the separation of roles, as well as inspiring and monitoring the correctness of conduct;
- formalise manual and computerised company procedures intended to regulate the performance of business activities (the control tool of the separation of roles between those involved in crucial phases of a process at risk is particularly effective as a preventive measure);
- allocate authorisation and signature powers in line with the defined organisational and management responsibilities;
- communicate to the personnel in a capillary, effective, clear and detailed manner the Code of Ethics, the company procedures, the sanctions system, the delegated authority and signature powers, as well as all other suitable means to prevent the commission of unlawful acts;
- provide for an effective system of sanctions;
- establish a Supervisory Board characterised by substantial autonomy and independence, whose members have the necessary professional expertise to perform the tasks required;
- provide for a Supervisory Board capable of assessing the adequacy of the model, supervising its effectiveness, ensuring that it is kept up-to-date, and operating continuously and in close connection with the corporate functions.

2. HISTORY AND PRESENTATION OF THE COMPANY

2.1 Brief historical background

The company's history dates back to December 1998 with a team possessing decades of experience in this industry combined with the ability to innovate and conduct research.
The company was immediately ranked among the leading companies in the sector with a product recognised by the market for its high technological content and unmatched reliability. The success achieved allowed Rational Production s.r.l. to develop partnerships with industry multinationals since the early 2000s, which helped to consolidate its presence on the global market, boosting product development and range expansion.
The year 2007 marked a turning point in growth when Rational Production became part of the Angelo Po group as the natural completion of an excellent product range.

2014 marked the start for the development of a new range of products designed to ensure maximum reliability and ease of maintenance, with the objective of guaranteeing long-term savings: these features satisfy new market needs, increasingly attentive to overhead cost reduction and resources optimisation. The objective of economic efficiency combined with excellent quality standards is being pursued.
In May 2016, as a result of the acquisition by the American holding Marmon Food of the Angelo Po company, the entrepreneur Rossella Po acquired ownership of Rational Production, strongly committed to further increase our global market presence through mid-long term targeted investment.

Rational Production events

Penalties
Omitted

3. SCOPE

The Company, in order to ensure conditions of fairness and transparency in conducting business and corporate activities, deemed it necessary to adopt the model pursuant to the provisions of Legislative Decree No. 231 of 2001.

The purpose of the model is to describe the operating methods adopted and the responsibilities allocated within Rational Production s.r.l.

The Company believes that the implementation of this model provides, beyond the requirements of the law, a valid tool for raising awareness and keeping all employees and all other stakeholders (consultants, partners, etc.) informed.

Therefore, the purpose of the Model is to:

- prevent and reasonably limit any potential risks related to the business activity of the company, with particular regard to risks linked to illegal conduct;
- raise awareness among all those working in the name and on behalf of the company within business areas at risk, regarding the possibility of committing, if the provisions set out in the model are violated, an offence liable for criminal and/or administrative sanctions not only against them, but also against the company itself;
- reiterate that the company does not tolerate unlawful conduct;
- provide information on the serious consequences that could result for the company (and therefore indirectly for all stakeholders) as a consequence of the application of pecuniary and prohibitory sanctions provided for by the Decree and the possibility that they may also be imposed as precautionary measures;
- enable the company to constantly monitor and closely supervise its business activities, in order to intervene promptly if risk profiles become apparent and, if necessary, to apply the disciplinary measures provided for in the Model itself.

4. SCOPE OF APPLICATION

The rules set out in the Model apply to all those who hold positions of management, administration, direction or control, even de facto, in the Company, to shareholders and employees, as well as to those who, although not belonging to the Company, operate on its behalf or are contractually bound to it.

Consequently, those holding senior positions will be addressees of the model: 1) B.o.D.; 2) directors; 3) managers; 4) members of the Supervisory Board; persons subject to the direction of others: 1) employees: 2) trainees

Pursuant to specific contractual clauses and limited to the performance of the sensitive business activities they possibly participate in, the following outside parties may be the recipients of specific obligations, instrumental to the adequate performance of the internal control activities provided for in this General Section:

- collaborators, agents and representatives, consultants and, in general, self-employed professionals working in the context of sensitive business areas on behalf of or in the interest of the Company;
- suppliers and business partners (including those operating as a temporary association of companies, or as joint ventures) who operate on a significant and/or continuous basis in the context of so-called sensitive business areas on behalf of or in the interest of the Company.

Among the so-called external parties should also be included those who, even though they have a contractual relationship with another company of the Group, essentially operate on a relevant and/or continuous basis within the sensitive business areas on behalf of or in the interest of the Company.

Rational Production disseminates this Model through suitable means to ensure that all stakeholders are effectively aware of it.

Those affected by the Model are required to strictly comply with all its provisions, also in compliance with the duties of loyalty, fairness and diligence arising from the legal agreements established with the Company.

Rational Production condemns any conduct that contravenes not only the law, but also and above all, for what matters here, any behaviour not compliant with the Model and the Code of Ethics; this applies also where the unlawful conduct has been carried out in the interest of the Company or with the intention of bringing an advantage to it.

5. RISK ASSESSMENT AT RATIONAL PRODUCTION

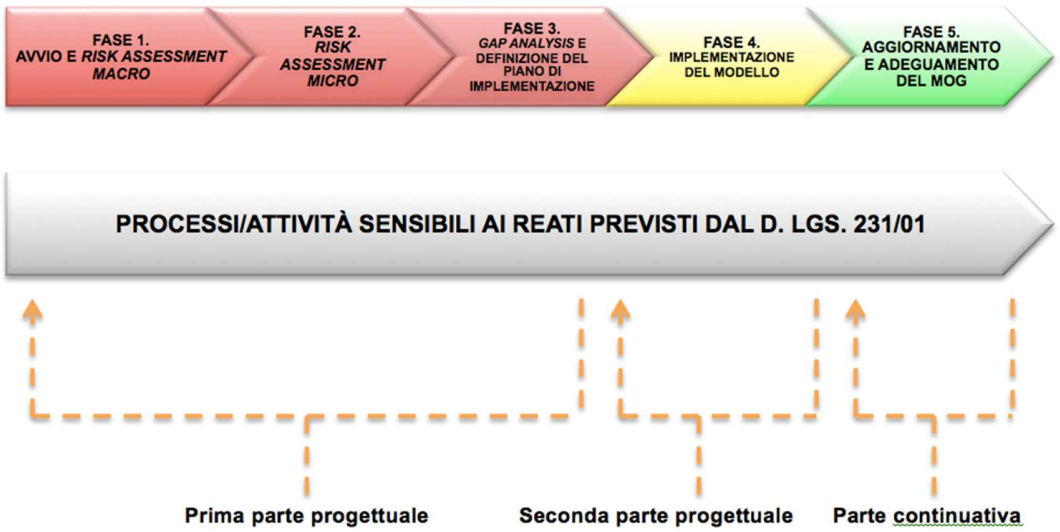
5.1. Summary of the project for the preparation and development of the organisation, management and control Model, pursuant to Leg. Decree 231/2001 for the Company Rational Production

In January 2017, the Work Group 231 presented the Company the launch of the project aimed at developing the Company's Organisation, Management and Control Model (hereinafter referred to as "OMC"), pursuant to Art. 6, paragraph 2, letter *a)* of Legislative Decree No. 231/01 and Confindustria Guidelines.

Throughout the project, Work Group 231 significantly involved the relevant corporate functions - in the activity of understanding, analysing and assessing, as well as sharing various issues - through meetings and interviews aimed at gathering information relating to the Company and for the purpose of conducting a detailed analysis and assessment of risk areas, as well as through regular reports on the progress of the project and possible critical issues identified during the course of the project.

The project to prepare and develop the OMC was completed in July 2022 and consisted of the following phases.

Figure No. 1 Rational Production organisation, management and control model



5.2. Phase 1: Macro Start-up and *Risk Assessment*

This phase led to the implementation of the following activities:

- Organisation, planning, communication and launching of the OMC preparation and development project;
- Gathering preliminary documentation/information;
- Company analysis and identification of risk areas pursuant to Leg. Decree 231/01 ("macro-areas" of sensitive business activities) and the relevant company managers/roles involved;
- Analysis and evaluation of Rational Production's control environment to identify any flaws with regard to key components of the OMC.

The following phase produced specific planning, organisational, communication and project launch documentation for the preparation and development of the OMC.

5.3. Phase 2: Micro *Risk Assessment*

This phase led to the implementation of the following activities:

- Detailed analysis of areas at risk identified through interviews;
- Identification of the specific processes/activities susceptible to the crimes provided for in Leg. Decree 231/01 that were identified by the detailed area analysis ("macro areas" of susceptible activities);
- Risk assessment through the mapping of sensitive processes in terms of:
  - conceivable and abstractly conceivable crimes that each process is exposed to;
  - potential ways to implement the offence in each process;
  - organisational functions/company roles involved in the process;
  - coverage level - by establishing preventive procedures - of the processes in terms of: empowerment system, information systems, processing documents procedures, reporting;
  - process flow description.

Processes have been mapped in this “General Section”, in the Preventative Protocols Manual and in the individual “Special Sections” of the OMC Model.

5.4. Phase 3: Gap analysis and definition of the implementation plan

This phase led to the implementation of the following activities:

- Identification of preventive protocol frameworks (systemic and specific) to be applied to each sensitive process ("macro areas" of sensitive activities) in order to prevent the commission of the crimes provided for in Leg. Decree 231/01 and subsequent integrations;

- Assessment of sensitive process mapping - carried out in Phase 2 - in order to identify gaps in sensitive processes with regard to the framework of identified preventive protocols (*Gap Analysis*);
- Defining the action plan to be implemented for the development of the OMC within the Company, taking into account the gaps that have been identified on the processes (*Micro Risk Assessment*) and the recommendations provided in Phase 1 of the project with reference to the control environment and the macro components of the model (*Macro Risk Assessment*).

The outcome of these activities was reported in the "General Section", in the Preventative Protocols Manual and in the individual "Special Sections" of the OCM Model.

5.5 Phase 4: Implementation of the Organisation, Management and Control Model for the Company Rational Production

This phase led to the implementation of the following activities:

- Implementation of the improvement action plan - defined in Phase 3 - which led to the definition, sharing and formalisation of:
  - OMC macro components: Code of Ethics, Organisational Structure and Delegation System, Penalty System, SB Regulation;
  - preventive protocols - systemic and specific - and instrumental processes for each "macro area" of sensitive activities, subject to detailed analysis in the relevant "Special Sections".
- Formalisation of the OMC Model pursuant to Leg. Decree 231/01, which is attached to this document in its entirety.

OMC Model pursuant to Leg. Decree 231/01 was presented to the company's Senior Management and subsequently submitted to the Company's Board of Directors where it was approved - in its first version - by resolution of the Board of Directors.

2.7. 5.6. Phase 5: Reviewing and amending the OMC to comply with organisational and regulatory changes

Risk analysis must therefore be considered a dynamic activity in order to provide the Supervisory Board and the company in general with a constant awareness of the elements of risk involved in its management.
It is therefore a matter of repeating the entire cycle of analysis on all company activities, appending if necessary the legislative changes that have occurred since the last update (e.g. new crimes, new risk management methods, etc.) and the changes made to processes as a result of the organisational interventions carried out and the evolution of the company.
Ultimately, the risk profile should be reassessed by applying the model and then identifying both Underlying and Residual Risk.
In this updating process, the overall comparison between the current and previous risk profile is not relevant, as

the two situations refer to organisational and legislative contexts that are not necessarily comparable.
Therefore, improvement or corrective actions will be defined not so much on the basis of a gap between different risk profiles but on the evidence shown by the updated risk analysis. In fact, by assessing why a certain activity has changed its residual risk, useful indications can be drawn on the most suitable areas of intervention.

6. MODEL STRUCTURE AND ARTICULATION

6.1. Reference models

This Model is based on the 'Guidelines for the Development of Organisational, Management and Control Models deliberated pursuant to Leg. Decree No. 231/01» approved by Confindustria on March 7, 2002 (updated March 2014).

With regard to *Whistle-blowing* regulations, the Model update is based on Confindustria illustrative note of January 2018, as well as the Assonime circular dated 28 June 2018.

The fundamental phases identified by the Guidelines in developing the models can be summarised as follows:

- a first phase consisting of the identification of risks, i.e. analysing the company context in order to highlight where (in which area/sector of activity) and in what way events detrimental to the objectives set out in the Decree may occur;
- a second phase consisting of drafting the control system (so-called protocols for planning the development and implementation of the entity's decisions), i.e. the evaluation of the existing system within the entity and its possible adaptation, in terms of its capacity to effectively counteract, i.e. reduce to an acceptable level, the identified risks.

From a conceptual point of view, risk reduction implies the need to act on two determining factors: 1) the probability of occurrence of the event; 2) the impact of the event.

In order to operate effectively, the outlined system should not be reduced to an occasional activity, but must be translated into an ongoing process to be repeated, paying particular attention to moments of corporate change.

It should also be noted that the prerequisite for the development of an adequate preventive control system is the definition of *"acceptable risk"*.

Whereas in the context of designing control systems for protection against *business* risks, the risk is deemed acceptable when the additional controls "cost" more than the asset to be protected (e.g. ordinary cars are equipped with anti-theft devices and not also with an armed policeman), in the context of Legislative Decree No. 231 of 2001, however, the economic logic of costs cannot be an exclusively usable reference. It is therefore important that for the purposes of applying the provisions set out in the decree, an effective threshold is established in order to set a limit on the quantity/quality of preventive measures to be introduced to avoid the commission of the crimes in question. Besides, in the absence of a prior determination of acceptable risk, the quantity/quality of preventative controls that can be implemented is virtually infinite, with obvious consequences in terms of corporate business operations. Moreover, the general principle, also invoked in criminal law, of the concrete eligibility of conduct, summarised by the Latin proverb *ad impossibilia nemo tenetur*, is an unavoidable reference criterion, even if it often appears difficult to identify its limit in practice.

The aforementioned notion of "acceptability" refers to the risks of conduct deviating from the organisational model's regulations and not also to the underlying occupational risks for the health and safety of workers, which, according to the principles of current preventive legislation, have to be fully eliminated in any case according to the knowledge acquired as a result of technical progress and, where this is not possible, minimised and, therefore, managed.

With regard to the preventive control system to be developed in relation to the risk of committing the crimes contemplated by Legislative Decree No. 231 of 2001, the conceptual threshold of acceptability, with regard to intentional crimes, is represented by a **prevention system that cannot be circumvented except fraudulently.** This solution is in line with the logic of fraudulent circumvention of the organisational model as an exemption provided for by the aforementioned legislative decree for the purposes of exempting the entity from administrative liability (art. 6 paragraph 1 letter *c), «the persons have committed the offence by* ***fraudulently*** *circumventing the organisational and management models»).*

However, in the cases of negligent homicide and negligent personal injury crimes committed in violation of occupational health and safety regulations, the conceptual threshold of acceptability, with regard to the exempting effects pursuant to Legislative Decree No. 231 of 2001, is represented by the perpetration of conduct (not accompanied by the intent to commit the event-death/personal injury) in breach of the organisational prevention model (and of the underlying mandatory obligations provided for by the prevention regulations) despite the timely observance of the supervisory obligations provided for in Legislative Decree No. 231 of 2001 by the special Supervisory Board. In this respect, the fraudulent circumvention of organisational models appears to be inconsistent with the subjective element of the crimes of negligent homicide and negligent personal injury, provided for in articles 589 and 590 of the c.c.

Pursuant to the Guidelines, the implementation of a risk management system must be based on the assumption that crimes may still be committed even after the model has been implemented. With regard to intentional crimes, the model and the related measures must be such that the offender is not only 'willing' to commit the offence (e.g. to bribe a public official), but can only carry out his criminal intent by fraudulently circumventing (e.g. through expediencies and/or deceptions) the entity's instructions. The set of measures that the offender will have to "force", if he/she wishes to commit a crime, will have to be carried out in relation to the entity's specific business activities considered to be at risk and to the single crimes hypothetically connected to them. In cases of negligent crimes, on the other hand, they must be intentional on the part of the offender only in terms of conduct and not also as an occurrence.

The method for implementing a risk management system that will be outlined below has a general validity.

In fact, the procedure described can be applied to various types of risk: legal, operational, financial reporting, etc.. This characteristic allows the same approach to be used even in cases where the principles of Legislative Decree No. 231 of 2001 are extended to other areas. In particular, with reference to the extension provided for by Leg. Decree No. 231 of 2001 to the crimes of manslaughter and grievous or very grievous bodily harm committed in violation of occupational health and safety regulations, it is pertinent to reiterate that the current legislative framework on the prevention of occupational risks lays down the essential principles and criteria for the management of occupational health and safety in the company, and therefore, in this context, the organisational model cannot disregard this precondition.

Of course, for those organisations that have already activated internal self-assessment processes, even certified ones, their application should be applied, if this has not been done already, to all types of risk and in all the ways

provided for in Leg. Decree No. 231 of 2001. In this regard, it is worth mentioning that risk management is a maieutic process that companies must activate internally according to the methods they deem most appropriate, obviously in compliance with the obligations laid down by law. Therefore, the models that will be issued and implemented at company level are the result of the documented and methodological application, by each individual entity, of the indications provided herein, based on its own internal operational context (organisational structure, territorial distribution, size, etc.) and external context (economic sector, geographical area), as well as on the individual crimes that can hypothetically be linked to the specific business activities of the entity considered to be at risk.

With regard to the operational methods of risk management, especially with regard to which company subjects/departments can actually be in charge of it, there are basically two possible approaches:

- assessment by a corporate body conducting this activity with the cooperation of line *management*;
- self-evaluation conducted by operational *management* supported by a methodological tutor/facilitator.

Based on the logical approach just outlined, the operational steps that the Company must take to implement a risk management system compliant with the requirements of Leg. Decree No. 231 of 2001 will be explained hereafter. In outlining this logical process, the emphasis is placed on the relevant results of the self-assessment activities performed in order to implement the system.

Inventory of corporate business areas

This phase can be carried out using different approaches, such as by activities, by departments or by processes. This specifically involves conducting an in-depth periodic review of the company's actual standing, with the objective of identifying areas that may be potentially affected by criminal offences. Thus, with regard to crimes against Public Administrations, for example, it will be a matter of identifying those areas that by their nature have direct or indirect relations with national and foreign Public Administrations. In this case, some types of processes/functions will certainly be affected (e.g. sales to P.A., management of concessions from local P.A., and so on), while others may not be or only marginally so. On the other hand, with regard to the crimes of homicide and grievous or very grievous bodily harm committed in breach of occupational health and safety regulations, it is not possible to exclude a priori any scope of activity, since such crimes may affect the entire company.

As part of this review procedure regarding the processes/functions at risk, it is advisable to identify the persons being monitored who, with reference to intentional crimes, in some particular and exceptional circumstances, could also include parties who are linked to the company by mere para-subordinate relationships, such as agents, or by other collaborative relationships, such as business partners, as well as their employees and collaborators.

In this respect, for negligent crimes of homicide and personal injury committed in violation of occupational health and safety regulations, all workers covered by the same regulations will be subject to monitoring.

In the same context, it is also advisable to carry out due diligence exercises whenever risk assessment reveals "indicators of suspicion" (e.g. conducting negotiations in territories with a high rate of corruption, particularly complex procedures, involvement of new staff unknown to the entity) relating to a particular business transaction.

Finally, it should be emphasised that each company/sector has its own specific areas of risk that can only be identified through a detailed internal analysis. However, a position of obvious importance for the application of Legislative Decree No. 231 of 2001 is held by financial processes.

Potential risk analysis:

The analysis of potential risks must take into account any possible ways in which crimes may be committed across the various business areas of the company (identified according to the process referred to in the previous point). The purpose of the analysis, which is preparatory to the correct drafting of preventive measures, must result in an exhaustive representation of how the crimes may be implemented in relation to the internal and external operating context of the company.

In this regard, it is useful to take into account both the entity's history, i.e. its past track record, as well as the characteristics of other entities operating in the same sector and, in particular, any crimes committed by them in the same line of business.

In particular, the analysis of the possible ways of committing crimes relating to homicide and grievous or very grievous bodily harm in breach of occupational health and safety obligations, corresponds to the assessment of occupational risks carried out pursuant to the criteria provided for in Art. 28 of Legislative Decree No. 81 of 2008.

Evaluation/development/adaptation of the preventive control system

The aforementioned activities are completed by assessing the system of preventive controls that may be already in place and adapting it when this proves necessary, or creating one when the entity does not yet have one. The system of preventive controls must ensure that the risks of crimes being committed, as identified and documented in the previous phase, are reduced to an "acceptable level", according to the definition outlined in the introduction. In essence, this involves devising what Leg. Decree No. 231 of 2001 defines as *«specific protocols designed to plan the formulation and implementation of the entity's decisions in relation to the crimes to be prevented».* There are several components at play in an internal (preventive) control system, for which there are established methodological references.

However, it should be reiterated that, for all entities, the system of preventive controls must be such that:

- in case of intentional crimes, cannot be circumvented other than intentionally
- in the case of negligent crimes, and as such incompatible with fraudulent intent, it shall still be violated, notwithstanding the punctual observance of the supervisory obligations imposed by the Supervisory Board.

Based on the indications just provided, following is a list, with specific reference to intentional and negligent crimes provided for by Legislative Decree No. 231 of 2001, which are generally considered to be the **components (protocols) of a preventive control system**, to be implemented at company level to ensure the effectiveness of the model.

A) **Preventive control systems for intentional crimes**

The most relevant components of the control system, pursuant to the Guidelines proposed by Confindustria, are:

- The Code of ethics with reference to the considered crimes;

- a formalised and clear organisational system, especially with regard to the allocation of responsibilities;

- manual and computerised procedures (information systems) regulating the performance of business activities by providing relevant control points; in this context, the control tool, represented by the separation of duties among those conducting crucial phases (activities) in a process at risk, is particularly effective as a preventive measure;

- authorisation and signatory powers assigned in line with the defined organisational and management responsibilities;

- the management control system capable of providing timely indications on the existence and occurrence of general and/or specific critical situations;

- communication to staff and their training.

B) **Preventive control systems for crimes of manslaughter and negligent personal injury committed in violation of occupational health and safety regulations**

Without prejudice to what has already been stated with regard to intentional crimes, in this context, the most relevant components of the control system are:

- The Code of Ethics (or of Conduct) with reference to the considered crimes;

- an organisational structure with occupational health and safety duties and responsibilities formally defined in line with the company's organisational and functional layout, from the employer to the individual employee. Particular attention should be paid to specific figures working in this field.

This approach essentially implies that:

a) when defining the organisational and operational duties of company directors, managers, supervisors and workers, those duties relating to their respective safety activities, as well as the responsibilities associated with the performance of those activities, must also be specified;

b) the tasks of the RSPP (Health and Safety Manager) and any ASPPs (Health and Safety Personnel), the workers' safety representative, the emergency management personnel and the competent doctor must be documented;

- Formation and training: the performance of tasks that may affect occupational health and safety requires adequate competence, to be assessed and developed by providing formation and training to ensure that all personnel, at all levels, are aware of the importance of the compliance of their actions with the organisational model and of the possible consequences resulting from any conduct deviating from the regulations established by the model. In practical terms, each company worker/operator must receive sufficient and adequate training with particular reference to his or her job and duties. This must take place at the time of recruitment, job transfer, reassignment of duties, when introducing new work equipment, new technologies or new dangerous substances and mixtures. The company should provide formation and training programmes according to periodically identified needs;

- communication and involvement: the circulation of information within the company is very valuable in promoting stakeholder involvement and enabling adequate awareness and commitment at all levels. Involvement should be achieved through:

a) prior consultation on the identification and assessment of risks and definition of preventive measures;
b) regular meetings that take into account at least the requirements established by current legislation, as well as meetings scheduled for business management.

- Operational management: the control system with regard to occupational health and safety risks should integrate and be congruent with the overall management of the company's work processes. The analysis of business processes and their interrelations as well as the findings of risk assessments provide the basis for defining how activities with a significant impact on occupational health and safety can be carried out safely. The company, having identified the areas of intervention related to health and safety aspects, should implement their regulated operational management.

  In this regard, particular attention should be paid to:
  a) recruitment and qualification of staff;
  b) organisation of work and workstations;
  c) procurement of goods and services used by the company and communication of relevant information to suppliers and contractors;
  d) routine and extraordinary maintenance;
  e) qualification and selection of suppliers and contractors;
  f) emergency management;
  g) procedures for addressing deviations from established targets and regulations of the control system;

  Safety monitoring system: occupational health and safety management should include a review to check whether the risk prevention and protection measures that have been adopted and assessed as suitable and effective are still in place. The technical, organisational and procedural prevention and protection measures implemented by the company should be subject to planned monitoring.
  The setting up of a monitoring plan should be developed through:
  a) planning the assessments schedule (frequency);
  b) assignment of executive tasks and responsibilities;
  c) description of methods to be followed;
  d) ways of reporting any discrepancies.

  Consequently, there should be a systematic monitoring process, the methods and responsibilities of which should be established contextually with the definition of the methods and responsibilities of operational management.

  This **1st level monitoring** is generally carried out by in-house resources, either through self-assessment by the operator or by the supervisor/manager, but may require the use of other in-house or external resources for specialised aspects (e.g. equipment checks). It is also advisable that the auditing of organisational and procedural measures relating to health and safety be carried out by the persons already identified during the allocation of responsibilities (usually consisting of managers and supervisors). Among these, the Prevention and Protection Service plays a significant role, as it is responsible for devising control systems to monitor the adopted measures.

The company must also conduct periodic **2nd level monitoring** activity with regard to the effectiveness of the implemented preventive system. The functionality monitoring should enable strategic decision-making and be conducted by competent personnel who will ensure objectivity and impartiality, as well as its neutrality towards the audited field of work.

According to Confindustria Guidelines, the above-mentioned components must be organically integrated into a system structure that respects a number of control principles, including:

- *every operation, transaction, action must be verifiable, documented, coherent and congruous*: each operation must have sufficient documentary support that can be used at any time to carry out audits attesting to the characteristics and motivations of the operation and identify the person authorising, performing, recording, and verifying the operation;
- *no one can manage an entire process independently*: the system must guarantee the implementation of the principle on the separation of functions, whereby the authorisation to carry out any operation must be the responsibility of a different person other than the person responsible for the accounting, operational execution or control of the operation;
- *Control documentation*: the control system must document (possibly through minutes) the implementation of controls, including supervisory ones;

It should be noted that non-compliance with specific points of Confindustria Guidelines does not in itself invalidate the Model. The individual Model, in fact, having to be drafted to reflect the concrete reality of the company which it refers to, could easily deviate, on some specific points, from the Guidelines (which are essentially more general), when this is necessary to comply with the requirements protected by the Decree.

Based on this remark, the illustrative observations included in the appendix to the Guidelines (so-called case studies), as well as the concise list of control instruments provided therein, should also be assessed.

C) **Preventive control systems in environmental crimes**

Without prejudice to what has already been stated with regard to intentional crimes, in this context, the most relevant components of the control system are:

- The Code of Ethics (or of Conduct) with reference to the considered crimes;
- an organisational structure with environmental duties and responsibilities formally defined in line with the company's organisational and functional layout, from the legal representative to the individual employee. Particular attention should be paid to specific figures working in this field.

This approach essentially implies that:

a) when defining the organisational and operational tasks of the company directors, managers, supervisors and workers, those relating to the environmental activities falling within their respective spheres of competence, as well as the responsibilities associated with the performance of those activities, must also be specified;
b) the tasks of the RSGA (Environmental Management System Manager) must be documented;

- information note, formation and training: the performance of tasks that may affect profiles requires adequate competence, to be assessed and developed by providing formation and training to ensure that all personnel, at all levels, are aware of the importance of the compliance of their actions with the organisational model and of the possible consequences resulting from any conduct deviating from the regulations established by the model. In practical terms, all parties involved must receive sufficient and adequate training with particular reference to his or her job and duties. This must take place at the time of recruitment, job transfer, reassignment of duties, when introducing new work equipment, new technologies or new dangerous substances and mixtures. The company must organise formation and training programmes based on the identified needs on a regular basis and must record them in documents (to be filed) which show the content of the courses, the compulsory nature of participation and the attendance records;

- communication and involvement: the circulation of information within the company is very valuable in promoting stakeholder involvement and enabling adequate awareness and commitment at all levels. Involvement should be achieved through:

a) prior consultation on the identification and assessment of risks and definition of preventive measures;
b) regular meetings that take into account at least the requirements established by current legislation, as well as meetings scheduled for business management.

- operational management: the control system, with regard to environmental risks, should integrate and be congruent with the overall management of the company's work processes.
  In this regard, particular attention should be paid to:

a) recruitment and qualification of personnel;
b) organisation of work and workstations;
c) procurement of goods and services used by the company and communication of relevant information to suppliers and contractors;
d) routine and extraordinary maintenance;
e) qualification and selection of suppliers and contractors;
f) procedures for addressing deviations from established targets and regulations of the control system;

- Environmental profile monitoring system: environmental protection management should include a review to check whether the risk prevention and protection measures that have been adopted and assessed as suitable and effective are still in place. The technical, organisational and procedural prevention and protection measures implemented by the company should be subject to planned monitoring.

The setting up of a monitoring plan should be developed through:

a) planning the assessments schedule (frequency);
b) assignment of executive tasks and responsibilities;

c) description of methods to be followed;
d) ways of reporting any discrepancies.

Consequently, there should be a systematic monitoring process, the methods and responsibilities of which should be established contextually with the definition of the methods and responsibilities of operational management.

This **1st level monitoring** is generally carried out by in-house resources, either through self-assessment by the operator or by the supervisor/manager, but may require the use of other in-house or external resources for specialised aspects (e.g. equipment checks). It is also advisable that the auditing of organisational and procedural measures relating to environmental protection be carried out by the persons already identified during the allocation of responsibilities

The company must also conduct periodic **2nd level monitoring** activity with regard to the effectiveness of the implemented preventive system. The functionality monitoring should enable strategic decision-making and be conducted by competent personnel who will ensure objectivity and impartiality, as well as its neutrality towards the audited field of work.

The above-mentioned components must be organically integrated into a system structure that respects a number of control principles, including:

- every operation, transaction, action must be verifiable, documented, coherent and congruous: each operation must have sufficient documentary support that can be used at any time to carry out audits attesting to the characteristics and motivations of the operation and identify the person authorising, performing, recording, and verifying the operation;
- no one can manage an entire process independently: the system must guarantee the implementation of the principle on the separation of functions, whereby the authorisation to carry out any operation must be the responsibility of a different person other than the person responsible for the accounting, operational execution or control of the operation;
- control documentation: the control system must document (possibly by drawing up minutes) the implementation of controls, including supervisory ones;

6.2. Framework and regulations governing the approval of the model and its updating

In order to prepare the Model, we have proceeded, therefore, consistently with the methodology proposed by Confindustria Guidelines:

- to identify the so-called *sensitive* activities, through a prior examination of company documentation (articles of association, regulations, organisational charts, proxies, job descriptions, organisational provisions and communications) and a series of interviews with the persons responsible for the various sectors of company operations (i.e. the heads of the various functions). The analysis was aimed at identifying and assessing the actual

performance of activities where unlawful misconduct at risk of committing the alleged crimes could take place. At the same time, the existing controls, including preventive ones, and any critical areas requiring further improvement were assessed;

- to design and implement the actions necessary for the improvement of the control system and its adaptation to the purposes pursued by the Decree, pursuant to and in consideration of Confindustria Guidelines, as well as the fundamental principles of the separation of duties and the definition of authorisation powers consistent with the assigned responsibilities. At this stage, particular attention was devoted to identifying and regulating financial management and control processes in activities at risk;

- to define control protocols in cases where there is an identified risk hypothesis. In this regard, decision-making and implementation protocols have been defined, expressing the set of rules and discipline which those entrusted with the operational responsibility for these activities have helped to outline as the most suitable for governing the identified risk profile. The principle adopted in drawing up the control system is that the conceptual threshold of acceptability is represented by a prevention system that cannot be circumvented except fraudulently, as already mentioned in the Guidelines proposed by Confindustria. The protocols are based on the principle of having the various stages of the decision-making process documented and verifiable, in order to trace the motivation behind the decision.

Therefore, the fundamental moments of the Model are:
- the mapping of the company's activities at risk, i.e. those activities within the scope of which the offences provided for in the Decree may be committed;
- the provision of effective controls to prevent the commission of the crimes provided for in the Decree;
- the ex-post verification of the company's conduct, as well as of the effectiveness of the Model with subsequent periodic updates;
- the dissemination and involvement of all company levels in the implementation of the established rules of conduct and procedures;
- the allocation of specific supervisory duties to the Supervisory Board on the effective and correct implementation of the Model;
- the creation of a Code of Ethics.

The Model, without prejudice to the specific purposes described above and relating to the exemption provided for by the Decree, is part of a broader control system already in place and implemented in order to provide reasonable assurance regarding the achievement of corporate objectives in compliance with laws and regulations, the reliability of financial information and the safeguarding of assets, also against possible fraud.

In particular, with reference to the so-called sensitive areas of activity, the Company has identified the following cardinal principles of its Model, regulating these activities and representing the tools designed to plan and implement the Company's decisions and to ensure effective controls over them, also with regard to crimes to be prevented:

- separation of duties through a proper allocation of responsibilities and the provision of adequate levels of authorisation, in order to avoid functional overlaps or allocating critical activities to a single person;

- clear and formalised allocation of authority and responsibility, with explicit indication of the limits of exercise and consistent with the tasks allocated and the positions held within the organisational structure;

- no significant operation may be undertaken without authorisation;

- existence of rules of conduct suitable to guarantee the performance of corporate activities in compliance with laws and regulations as well as the integrity of corporate assets;

- adequate procedural regulation of so-called sensitive corporate activities, so that: operational processes are defined by providing adequate documentary support in order to ensure their consistency, congruity and accountability; operational decisions and choices are always traceable in terms of characteristics, motivations and the persons who authorised, carried out and verified the single activities are always identifiable; the management of financial resources is guaranteed in such a way as to prevent the commission of criminal offences; control and supervision activities performed on corporate transactions are carried out and documented; security mechanisms are in place to ensure adequate protection of physical and logical access to company's data and assets; the exchange of information between contiguous phases or processes takes place in a way that guarantees the integrity and comprehensiveness of the data managed.

The principles described above appear to be consistent with the indications provided by the Guidelines issued by Confindustria, and are considered by the company to be reasonably suitable for preventing the crimes referred to in the Decree.

Therefore, the Company considers it of fundamental importance to ensure a correct and effective application of the above-mentioned control principles in all the so-called sensitive areas of company activities identified and described in the Special Sections of this Model.

6.3. Foundations and contents of the model

The Model prepared by Rational Production is based on:

- the **Code of Ethics**, designed to establish general guidelines of conduct;
- the **organisational Structure** establishing the allocation of duties - providing, as far as possible, for separation of functions or, alternatively, compensatory controls - and the persons called upon to monitor the integrity of conduct;
- the implementation of a **system** of corporate **delegations and authorities**, consistent with the assigned responsibilities and ensuring a clear and transparent representation of the corporate decision-making and implementation process, based on the requirement of the uniqueness of the person in charge of the function;
- the mapping of sensitive corporate areas, i.e. the description of those processes where crimes are most likely to be committed, summarised in the individual **Special Sections**;
- instrumental processes for sensitive corporate areas, i.e. those processes through which financial instruments and/or alternative means capable of being used to commit criminal crimes, which are also described in the individual **Special Sections**;

- the disclosure of the persons involved in overseeing these activities, in roles preferably separate from those of both executors and controllers, for the purposes of separating management and control duties;
- a set of preventive, general, specific and system protocols, designed to provide detailed regulations on how to make and implement decisions in areas/instrumental processes at risk, described in the **Manual of Preventive Protocols;**
- a **Criminal handbook** describing the crimes abstractly conceivable for the company, which also provides an indication of the possible ways in which they may be committed within the company;
- the identification of methodologies and instruments ensuring an adequate level of direct and indirect monitoring and control, with the first type of control being entrusted to specific operators of a given activity and the person in charge, while the second control is entrusted to management and the Supervisory Board;
- the specification of information supports for the traceability of monitoring and control activities (e.g. data sheets, printouts, reports, etc.);
- the **reporting procedure**, to protect the integrity of the entity, regarding unlawful conduct, of relevance pursuant to Legislative Decree No. 231/2001 or violations of the entity's organisation and management model, protecting the confidentiality of the whistle-blower's identity while handling the report, also through the implementation of at least one alternative reporting channel suitable to ensure, by computerised means, the confidentiality of the whistle-blower's identity;
- the definition of a **sanctions system** for those breaching the rules of conduct established by the Company. A system that, on the one hand, should provide for the prohibition of direct or indirect retaliatory or discriminatory acts against whistle-blowers for reasons directly or indirectly linked to the report and, on the other hand, must include sanctions against those who breach the measures for the protection of whistle-blowers, as well as those who make reports that turn out to be unfounded, with malicious intent or gross negligence;
- the implementation of a plan: 1) for the training of senior and middle management working in sensitive areas, of directors and of the Supervisory Board; 2) for the information of all other stakeholders;
- the establishment of a Supervisory Board, with the task of monitoring the effectiveness and correct implementation of the model, its consistency with the objectives and its periodic updating.

The documents relating to the model consist of the following sections:

Special Section A - Code of Ethics

Special Section B - Organisational Structure
Special Section C - System of delegations and powers
Special Section D - System of sanctions
Special Section E - Crimes against the Public Administration and against the State
Special Section F - Crimes related to counterfeiting money, public credit documents, revenue stamps and distinctive instruments or signs
Special Section G - Corporate crimes
Special Section H - Crimes against the person
Special Section I - Crimes related to safety in the workplace
Special Section J - Crimes related to receiving, laundering and using money, goods or profits of unlawful origin, including self-laundering
Special Section K - Transnational Crimes referred to in Law No. 146 dated 16 March 2006
Special Section L - Cybercrimes and unlawful data process
Special Section M - Crimes against industry and trade
Special Section N - Crimes related to copyright infringement
Special Section O - Crimes related to organised crime
Special Section P - Crime pursuant to art. 377 *bis* of the c.c.
Special Section Q - Structure, composition, regulations and functioning of the Supervisory Board
Special Section R - Environmental crimes
Special Section S - Crime involving the employment of third-country nationals with irregular residence status
Special Section T - Tax crimes
Special Section U - Smuggling crimes
Special Section V - Crimes relating to payment methods other than cash
Criminal Handbook
Criminal Handbook
Preventive Protocols Handbook
Whistle-blowing Procedure

6.4. Code of Ethics

The Code of Ethics is the document drawn up and endorsed independently by Rational Production for communicating to all stakeholders the principles of corporate ethics, commitments and ethical responsibilities in the conduct of business and corporate activities that the Company intends to comply with. All those working at Rational Production and in contractual relations with the company are expected to comply with it.

The principles and rules of conduct contained in this Model are integrated with those provided for in the Code of Ethics adopted by the Company, even though the Model, due to its intended purpose of implementing the provisions of the Decree, has a different scope from the Code itself.
It is pertinent to specify that the Code of Ethics represents an instrument adopted by the Company autonomously and susceptible to general implementation in order to express a series of principles of corporate ethics that the Company itself recognises as its own, asking all its personnel and all those who cooperate in the pursuit of the Company's aims, including suppliers and customers, to comply with them; the Model, on the other hand, responds to specific provisions outlined in the Decree, aimed at preventing the commission of particular types of criminal offences for acts that, seemingly committed in the interest or to the advantage of the company, may entail

administrative liability under the provisions of the Decree. However, in view of the fact that the Code of Ethics recalls principles of conduct that are also suitable for preventing the unlawful conduct referred to in the Decree, it becomes relevant for the purposes of the Model and therefore formally constitutes an integral component of the Model itself.

The Company's Code of Ethics is set out in "Special Section A: Code of Ethics".

6.5. Organisational Structure

The organisational structure of the Company is defined by issuing delegations of functions and organisational instructions (service orders, job descriptions, internal organisational directives) by the Chairman.

The Model, as well as the organisational structure of Rational Production, will be posted on the Internet portal.

The Head of Human Resources is also responsible for keeping the personnel structure up-to-date, and for informing the Supervisory Board of all significant interventions taking place within that organisation.

The organisational structure of Rational Production, which forms an integral and substantial part of the Model, is set out in "Special Section B: Organisational Structure and Delegation System" and represents the map of the Company's areas and the relative functions that are attributed to each area.

6.6. Whistle-blowing Procedure

On 29 December 2017, Law No. 179 became effective, containing "Provisions for the protection of the authors of reports regarding criminal offences or irregularities that have come to their attention in the context of a public or private employment relation".

The law intends to incentivise the cooperation of workers to encourage the disclosure of corrupt phenomena within public and private entities.

As far as the private sector is concerned, Art. 2 of Law No. 179/17 intervenes on Decree 231 and inserts a new provision in Art. 6 ("Senior managers and the entity's compliance models") that frames measures related to the submission and management of reports within the scope of Model 231.

Consequently, the law requires companies implementing the Model to also implement the new measures.

In particular, Model 231, in order to be deemed suitable and effective, must provide for the following additional measures:

- one or more channels enabling the persons indicated in Art. 5 paragraph 1, letters a) and b), to submit, for the protection of the entity's integrity, detailed reports of unlawful conduct, of relevance under this Decree and based on precise and concordant factual evidence, or of violations of the entity's organisational and management model, which have come to their attention in the course of their duties; these channels guarantee the confidentiality of the whistle-blower identity when handling the report;
- at least one alternative reporting channel suitable for ensuring, by computerised means, the confidentiality of the whistle-blower identity;
- The prohibition of direct or indirect retaliatory or discriminatory acts against the whistle-blower for reasons directly or indirectly linked to the report.
- The disciplinary system adopted pursuant to paragraph 2 letter e, sanctions against those who breach the

measures aimed at protecting whistle-blowers, as well as those who make malicious or grossly negligent reports that prove to be unfounded.

In the light of the regulatory changes now described, as well as on the basis of the indications provided in the explanatory note of Confindustria of January 2018 and in the Assonime circular dated 28 June 2018, Model 231 must provide for a specific Whistle-blowing procedure, which must determine *ad hoc* channels enabling the filing of any reports, based on precise and concordant factual elements, guaranteeing the confidentiality of the reporter's identity.

The procedure should also take into account the following measures:

- the establishment of a system for handling violation reports to ensure the anonymity of the so-called *whistle-blower*;
- the specific training of senior management and their subordinates;
- integrating the disciplinary system provided for by Model 231, with the inclusion of sanctions against those who violate the measures for the protection of whistle-blowers, as well as against those making malicious or grossly negligent reports that turn out to be unfounded.

It should also be noted that pursuant to Art. 1 of Legislative Decree No. 179/2017, which amended Art. 54 bis of Legislative Decree No. 165/2001, the protection of a worker employed by a company providing goods or services to the public administration has been levelled with those of a civil servant.

Thus, the employee of a private company working with the public administration must also be given the opportunity to report or denounce, in the interest of the public administration, unlawful conduct that has come to his or her attention during the course of the employment contract.

The employee who made the report or the whistle-blowing cannot be sanctioned, demoted, dismissed, transferred, or subjected to any other organisational measure having a direct or indirect negative effect on working conditions brought about by the report.

The *whistle-blowing* procedure is set out in the document "whistle-blowing Procedure", which contains all the modalities that can be used for whistle-blowing.

6.7. Sensitive activity areas, instrumental processes and decision-making process

The decision-making process relating to sensitive areas of activity must conform to the following criteria:

- every decision concerning operations within the sensitive areas of activity, as identified below, must be set out in a written document;
- there can never be subjective identity between the person who decides on the performance of a process within a sensitive area of activity and the person who actually carries it out;
- there can never be subjective identity between those who decide and implement a process within a sensitive area and those who are invested with the power to allocate the necessary economic and financial resources to it.

Below are the main sensitive activities and instrumental processes, which are analysed in detail in the relevant special sections.

<u>For crimes against the Public Administration and against the State (special section E);</u>

sensitive macro-activities:
(omitted)

instrumental processes:
(omitted)

For crimes related to counterfeiting money, public credit documents, revenue stamps and distinctive instruments or signs (special section F):

sensitive macro-activities:
(omitted)

For corporate crimes (special section G):

sensitive macro-activities:
(omitted)

instrumental processes:
(omitted)

For crimes against the person (special section H):

sensitive macro-activities:
(omitted)

instrumental processes:
(omitted)

For crimes related to safety in the workplace (special section I):

sensitive macro-activities:
(omitted)

For crimes related to receiving, laundering and using money, goods or profits of unlawful origin, including self-laundering (special section J):

sensitive macro-activities:
(omitted)

instrumental processes:
(omitted)

For transnational crimes referred to in Law No. 146 dated 16 March 2006 (special section K)

sensitive macro-activities:
(omitted)

instrumental processes:
(omitted)

For cybercrime and unlawful data process (special section L)
sensitive macro-activities:
(omitted)

instrumental processes:
(omitted)

For crimes against industry and trade (special section M)

sensitive macro-activities:
(omitted)

instrumental processes:
(omitted)

For copyright infringement crimes (special section N)

sensitive macro-activities:
(omitted)

instrumental processes:
(omitted)

For crimes relating to organised crime (special section O)

sensitive macro-activities:
(omitted)

instrumental processes:
(omitted)

For the offence referred to in Art. 377 *bis* of the c.c. (special section P):

sensitive macro-activities:
(omitted)

For environmental crimes (special section G):

sensitive macro-activities:
(omitted)

instrumental processes:
(omitted)

For the offence involving the employment of third-country nationals with irregular residence status (special section S)

Sensitive macro-activities and instrumental processes
(Omitted)

For tax crimes (special section T):

sensitive macro-activities:
(Omitted)

instrumental processes:
(Omitted)

For smuggling crimes (special section U):

sensitive macro-activities:
(Omitted)

instrumental processes:
(Omitted)

For crimes relating to non-cash means of payment (special section V)

sensitive macro-activities:
(Omitted)

instrumental processes:
(Omitted)

For:

- crimes related to terrorism and the subversion of the democratic order (art. 25 *quater* of the Decree);
- crimes consisting in female genital mutilation practices(art. 25 *quater.* 1 of the Decree);
- crimes relating to market abuse (Art. 25 *sexies* of the Decree);
- crimes of xenophobia and racism (art. 25 *terdecies*), as no risk areas related to them
- crimes relating to fraud in sporting events, abusive gambling or betting and games of chance exercised by means of prohibited devices (Art. 25 *quaterdecies* of the Decree).
- crimes relating to cultural heritage referred to in art. 25 septiesdecies of Leg. Decree No. 231/2001 and in art.25 duodevicies of Leg. Decree No. 231/2001;

it was considered that the specific activity carried out by the company does not present risk profiles such as to reasonably justify the possibility of their perpetration in its interest or to its advantage.

In this respect, it is therefore considered exhaustive to recall the principles contained in the Model's General Section and in the Code of Ethics, which bind the Model's Addressees to comply with the values of solidarity, morality, respect for the law and fairness.

6.7.1. Filing documents relating to sensitive activities and instrumental processes

The tasks conducted within the scope of sensitive activities and instrumental processes are duly formalised with particular reference to documents prepared in connection with their implementation

The above-mentioned documents, produced and/or available in hard copy or electronic format, are filed in an orderly and systematic manner by the relevant functions, or specifically identified in detailed procedures or work instructions.

In order to safeguard the company's records and information assets, adequate security measures have been implemented to prevent any risk of loss and/or alteration of documents relating to sensitive activities and instrumental processes or unwanted access to data/documents.

6.7.2. Information systems and computer applications

In order to safeguard the integrity of data and the effectiveness of information systems and/or computer applications used for the performance of operational or control duties in the context of sensitive activities or instrumental processes, or to support them, it is guaranteed the presence and effectiveness of:

(omitted)

6.8. System of delegations and powers

The authorisation system that translates into an articulated and coherent scheme of function delegations and Company powers of attorney must comply with the following requirements:

- delegations must combine each management power with the relevant responsibility, an adequate position in the organisational chart and must be updated in line with organisational changes;
- Each delegation must specifically and unambiguously define and describe the delegate's management powers and the person to whom he/she hierarchically reports to;
- The managerial powers assigned by delegation and their implementation must be consistent with the company's objectives;
- the delegate must have sufficient spending powers for the functions conferred upon him/her;
- Powers of attorney may only be granted to persons endowed with an internal functional delegation or a specific assignment and must provide for the scope of the powers of representation and, where applicable, numerical expenditure limits;
- only persons with specific and formal powers may undertake, in his/her name and on his/her behalf, commitments towards third parties;
- all those who have relations with the P.A. must have delegated or procured authority to do so;
- The Articles of Association stipulate the requirements and procedures for the appointment of the manager in charge of preparing accounting and corporate documents.

The System of Delegations and Powers of Rational Production, which forms an integral and substantial part of the Model, is set out in “Special Section B: Organisational Structure and Delegation System”.

All powers conferred by delegation or by exercising authority correspond exactly to the duties and responsibilities listed in the Company’s organisational chart.

6.9. Information note and Training

6.9.1. Information note

In order to guarantee the effectiveness of the Model, Rational Production is committed to ensure that all Addressees have a sound knowledge of it, based also on their different levels of involvement in sensitive processes.
In this respect, Rational production provides for the dissemination of the Model using the following general methods:
- the creation on the company's intranet site of specific web pages, updated regularly, whose contents essentially refer to:
1) a general information on the Decree and the guidelines used for drafting the Model;
2) the structure and main operational provisions of the Model implemented by Rational Production;
3) the reporting procedure to the SB and the standard report form to be used for reporting - by senior management and employees - any conduct, by other employees or third parties, deemed potentially in conflict with the contents of the Model.

When the Model is implemented, a communication will be sent to all employees - by the identified bodies (e.g. Board of Directors, General Management, etc.) - to inform them that Rational Production has implemented an Organisation, Management and Control Model pursuant to the Decree, referring them to the company intranet site for further details and in-depth information. The communication is accompanied by a confirmation of receipt and acceptance by the employees, to be forwarded to the SB.

New employees will receive a specific information note, included in the body of the employment letter, regarding the Decree and the characteristics of the implemented Model.

6.9.2. Information note to external collaborators and partners

All parties external to the Company (consultants, partners, etc.) will be duly informed of Rational Production's implementation of a Model including a Code of Ethics. To that effect, Rational Production will communicate to all the aforementioned stakeholders the website IP address where it is possible to view the Model and the Code of Ethics.

They will also be asked for their formal commitment to comply with the provisions stipulated in the aforementioned documents.

For external consultants who collaborate on a regular basis with Rational Production, it will be the responsibility of Rational Production to contact them and make sure, through detailed checks, that these consultants are familiar with the company's Model and are willing to comply with it.

6.9.3. Training

The contents of the training programmes must be vetted and endorsed by a consultant from outside the Company, who is an expert either in corporate administrative liability (Legislative Decree No. 231/2001) or, more generally, in criminal matters, who will also work jointly with the SB.

Training must be formally recorded.

Training can generally be held also *on-line* or, in the case of those employees who cannot be reached by computer, also through the use of paper forms.

6.9.4. Training of personnel in so-called "senior positions".

The training of personnel in so called “senior positions", including members of the Supervisory Board, is carried out through training and refresher courses, with compulsory attendance and participation, as well as a final evaluation test - which may also be held orally - certifying the quality of the training received.

Training and refresher courses must be scheduled at the beginning of the year and, for newly appointed members of the B.o.D. or for any new employees in a so-called “senior management” position, shall also take place in accordance with the information note included in the letter of appointment.

The training of personnel in so-called “senior positions” must be divided into two parts: a “general” part and a “specific” part.

The “general” part must contain:

- references to legislation, jurisprudence and best practice;
- entity's administrative liability: purpose, rationale of the Decree, nature of liability, new regulatory framework;
- addressees of the decree;
- prerequisites for imputation of liability;
- description of the alleged crimes;
- types of sanctions applicable to the entity;
- conditions for the exclusion or limitation of liability.

The following activities will also be carried out during the training:
- those present are made aware of the importance placed by Rational Production to the implementation of a risk governance and control system;
- the structure and contents of the implemented Model are outlined, together with the methodological approach followed for its implementation and updating.

For the “specific” part of the training, we focus:
- on the precise description of the individual crimes
- on the identification of the offenders
- on exemplification regarding the ways in which crimes are committed;
- on the analysis of the applicable sanctions;
- on the link between the individual crimes and the specific areas of risk identified;

- on the specific prevention protocols identified by the Company to avoid incurring in the identified areas of risk;
- it describes the conduct to be adopted with regard to the communication and training of its line managers, in particular of personnel working in the company areas deemed sensitive;
- it illustrates the conduct to be adopted towards the Supervisory Board, with regard to communications, reports and cooperation in the supervision and updating of the Model;
- the managers of company functions potentially at risk of crimes and their subordinates are made aware of the conduct to be complied with, the consequences of non-compliance and, in general, of the Model implemented by Rational Production.

6.9.5. Training of other personnel

The training of the remaining staff starts with an internal information note which, for new employees, will be issued at the time of recruitment.
Also the training of personnel other than the so-called. "senior positions", is carried out through training and refresher courses, with compulsory attendance and participation, as well as a final evaluation test - which may also be held orally - certifying the quality of the training received.
Training and refresher courses must be scheduled at the beginning of the year.

The training of persons other than those in a so-called "senior positions" must be divided into two parts: a "general" part and a "specific" part, of a contingent and/or partial nature.

The "general" part must contain:
- references to legislation, jurisprudence and best practice;
- entity's administrative liability: purpose, rationale of the Decree, nature of liability, new regulatory framework;
- addressees of the decree;
- prerequisites for imputation of liability;
- description of the alleged crimes;
- types of sanctions applicable to the entity;
- conditions for the exclusion or limitation of liability.

The following activities will also be carried out during the training:
- those present are made aware of the importance placed by Rational Production to the implementation of a risk governance and control system;
- the structure and contents of the implemented Model are outlined, together with the methodological approach followed for its implementation and updating.

For the "specific" part of the training, we focus:
- on the precise description of the individual crimes
- on the identification of the offenders
- on exemplification regarding the ways in which crimes are committed;
- on the analysis of the applicable sanctions;
- on the link between the individual crimes and the specific areas of risk identified;
- on the specific prevention protocols identified by the Company to avoid incurring in the identified areas of risk;

- it describes the conduct to be adopted with regard to the communication and training of its line managers, in particular of personnel working in the company areas deemed sensitive;
- it illustrates the conduct to be adopted towards the Supervisory Board, with regard to communications, reports and cooperation in the supervision and updating of the Model;
- the managers of company functions potentially at risk of crimes and their subordinates are made aware of the conduct to be complied with, the consequences of non-compliance and, in general, of the Model implemented by Rational Production.

With reference to the training relating to the 'specific' part, it should be said that it will only be intended for those persons genuinely at risk of carrying out activities relating to Legislative Decree No. 231 of 2001 and limited to the risk areas they may come into contact with.

6.9.6. Training of the Supervisory Board

The Training of the Supervisory Board is vetted and endorsed by a consultant from outside the Company, who is an expert either in corporate administrative liability (Legislative Decree No. 231/2001) or, more generally, in criminal matters.

The purpose of this training is to provide the Supervisory Board both with a high level of understanding - from a technical point of view - of the Organisational Model and the specific prevention protocols identified by the Company, together with useful tools for adequately carrying out its control duties.

This training - compulsory and controlled - can generally take place by participating: 1) at conferences or seminars on the subject of Legislative Decree No. 231 of 2001; 2) at meetings with experts on corporate administrative liability (Legislative Decree No. 231/2001) or criminal matters; in particular, with reference only to the understanding of the Organisational Model and the specific prevention protocols identified by the Company, through participation in training and refresher courses organised for those persons in so-called “senior positions".

The training of the SB must include contents from both the ''general'' and ''specific'' training previously mentioned, as well as in-depth training:

- on the subject of independence;
- on the subject of autonomy;
- on the subject of continuity of action;
- on the subject of professionalism;
- on the subject of relations with corporate bodies;
- on the subject of relations with other bodies responsible for internal control;
- on the subject of the relationship between the implementation of the Model and the other control systems in the company;
- on the subject of *whistle-blowing* and the management of reports in order to protect the confidentiality of whistle-blowers;
- on the subject of reporting on the SB's activities (inspection minutes, meeting reports, etc.);
- on the subject of check-list samples for inspection activities;
- mapping examples of sensitive activities and instrumental processes

6.10. System of sanctions

The preparation of an effective system of sanctions applicable for violations of the provisions stipulated in the Model is an essential condition for guaranteeing the effectiveness of the Model itself.
In this respect, in fact, Art. 6 paragraph 2 letter e) and Art. 7 paragraph 4 letter b) of the Decree stipulate that the model must «introduce a disciplinary system capable of sanctioning the failure to comply with the measures indicated in the Model».
The application of imposed disciplinary sanctions pursuant to the Decree is unrelated to the outcome of any criminal proceedings, since the rules imposed by the Model and the Code of Ethics are implemented by Rational Production in full autonomy, regardless of the type of crime that the violations of the Model or the Code may determine.

In particular, Rational Production uses a system of sanctions that:
- is structured differently based on the persons to whom it is addressed: persons in so-called "senior positions"; employees; external collaborators and partners;
- identifies precisely the disciplinary sanctions to be imposed on persons committing violations, infringements, circumventions, imperfect or partial applications of the provisions provided for in the model, all in compliance with the relevant collective labour agreements and the applicable legislative provisions;
- provides for a specific procedure to impose the aforementioned sanctions, by identifying the person responsible for imposing them and in general for supervising the observance, application and updating of the sanction system;
- introduces suitable methods of publication and dissemination;
- includes sanctions against those who violate the measures for the protection of whistle-blowers pursuant to the "*whistle-blowing*" procedure, as well as against those who maliciously or grossly negligently make reports that turn out to be unfounded.

Rational Production has drawn up and applied the system of sanctions in compliance with the above principles, which forms an integral and substantial part of the model as "Special Section D".

6.11. Preventive Protocols Handbook

The Preventive Protocols Handbook identifies and describes a system of general, specific and systemic preventive protocols, to regulate in detail the methods for making and implementing decisions in areas/instrumental processes at risk, identified within the Special Sections of the Model.

6.12. Crimes against the Public Administration and against the State

A detailed description of the analyses performed and the protocols implemented by Rational Production pursuant to Articles 24 and 25 of the Decree can be found in "Special Section E: Crimes against the Public Administration and against the State"

6.13. Crimes related to counterfeiting money, public credit documents, revenue stamps

A detailed description of the analyses performed and the protocols implemented by Rational Production pursuant to Art. 25 *bis* of the Decree can be found in "Special Section F: Crimes related to counterfeiting money, public credit documents, revenue stamps, distinctive instruments or signs".

6.14. Corporate crimes

A detailed description of the analyses performed and the protocols implemented by Rational Production pursuant to Art. 25 *ter* can be found in "Special Section G: Corporate crimes

6.15. Crimes against the individual

A detailed description of the analyses performed and the protocols implemented by Rational Production pursuant to art.25 *quinquies* can be found in "Special Section H: Crimes against the individual"

6.16. Crimes related to safety in the workplace

A detailed description of the analyses performed and the protocols implemented by Rational Production pursuant to art. 25 *quinquies* can be found in "Special Section I: Crimes related to safety in the workplace"

6.17. Crimes related to receiving, laundering and using money, goods or profits of unlawful origin, as well as self-laundering

A detailed description of the analyses performed and the protocols implemented by Rational Production pursuant to art. 25 *octies* can be found in "Special Section J: Crimes related to receiving, laundering and using money, goods or profits of unlawful origin, as well as self-laundering"

6.18. Transnational Crimes referred to in Law No. 146 dated 16 March 2006

A detailed description of the analyses performed and the protocols implemented by Rational Production pursuant to art. 24 *bis* can be found in "Special Section K: Transnational Crimes referred to in Law No. 146 dated 16 March 2006"

6.19. Crimes related to Cybercrime and unlawful data process

A detailed description of the analyses performed and the protocols implemented by Rational Production pursuant to art. 25 *novies* can be found in "Special Section L: Crimes related to Cybercrime and unlawful data process"

6.20. Crimes against industry and trade

A detailed description of the analyses performed and the protocols implemented by Rational Production pursuant to art. 25 *bis* can be found in "Special Section M: Crimes against industry and trade"

6.21. Crimes related to copyright crimes

A detailed description of the analyses performed and the protocols implemented by Rational Production pursuant to art. 25 *novies* can be found in "Special Section N: Crimes related to copyright crimes"

6.22. Crimes related to organised crime

A detailed description of the analyses performed and the protocols implemented by Rational Production pursuant to art. 24 *ter* can be found in "Special Section O: Crimes related to organised crime"

6.23. Crime pursuant to art. 377 bis of the c.c.

A detailed description of the analyses performed and the protocols implemented by Rational Production pursuant to art. 25 *novies* can be found in "Special Section P: Crime pursuant to art. 377 bis of the c.c."

6.24. Environmental crimes

A detailed description of the analyses performed and the protocols implemented by Rational Production pursuant to art. 25 *undecies* can be found in "Special Section R: Environmental crimes"

6.25. Offence related to the employment of third-country nationals with irregular residence status

A detailed description of the analyses performed and the protocols implemented by Rational Production pursuant to art. 25 *duodecies* can be found in "Special Section S: Crime related to the employment of third-country nationals with irregular residence status"

6.26. Tax crimes

A detailed description of the analyses performed and the protocols implemented by Rational Production pursuant to art. 25 *quinquiesdecies* can be found in "Special Section T: "Tax crimes"

6.27. Smuggling crimes

A detailed description of the analyses performed and the protocols implemented by Rational Production pursuant to art. 25 *sexiesdecies* can be found in "Special Section U: smuggling crimes"

6.28. Crimes relating to payment methods other than cash

A detailed description of the analyses performed and the protocols implemented by Rational Production pursuant to art. 25 *sexiesdecies* can be found in "Special Section V: crimes related to payment methods other than cash"

6.29. Financial Resource Management

Art. 6 paragraph 2 letter c) of the Decree stipulates that the Company must draw up specific procedures for managing the financial resources suitable to preventing crimes.

Rational Production has adopted, as part of its procedures, some basic principles to be followed for the management of financial resources:

- all transactions related to financial management must be carried out through the use of the Company's bank accounts;
- periodical audits of balances and cash transactions must be carried out;
- the function responsible for treasury management must define and keep up-to-date, consistent with the Company's credit policy and based on adequate separation of duties and accounting regularity, a specific formalised procedure for opening, using, controlling and closing current accounts;

- senior management must define medium and long-term financial requirements, types and sources of coverage, and provide evidence to that effect in detailed reports.

For the payment of invoices and expenditure commitments, the Company requires that:

- the invoice is checked thoroughly (correspondence, calculations, taxation, receipt of goods or services);
- the invoice is recorded independently by the accounting department and no payment is made without the specific authorisation of the head of administration and finance as well as the authorising function;
- all borrowings for financing purposes, including derivative contracts, whether hedging or speculative, must be approved by resolution of the B.o.D.

6.30. Supervisory Board

In compliance with the provisions of Art. 6 paragraph 1 letter b) of the Decree, stipulating that the task of supervising the functioning of and compliance with the Model as well as ensuring that it is kept up-to-date, is assigned to a body of the Company, with autonomous powers of initiative and control, known as the Supervisory Board, the Company has identified and appointed this Body. For details, see "Special Section Q: Structure, composition, regulations and functioning of the Supervisory Board".