

LEGISLATIVE DECREE

N° 231/2001



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LEGISLATIVE DECREE N° 231/2001

The Italian legislative decree 231 dated 8 June 2001 introduced a regime of "para-penal" responsibility into Italian regulations, for companies (corporate bodies). This decree relates to certain offences committed or attempted in the interest or for the advantage of the companies, and is carried out by directors, employees and persons subject to management or supervision; this responsibility is in addition to that of the individual who physically carried out the act.

A theoretical risk analysis showed that the following offices are relevant for Monini.

- **Offences against Public Authorities:** offences of fraudulent misrepresentation to obtain public funds (through the use or presentation of false declarations or documents or the omission of required information to obtain contributions, financing, assisted loans or other public funding), misappropriation (after having received public funding or contributions, the amounts obtained are not used for the purposes for which they were destined), corruption and bribery (for example during an inspection by the local health unit or fire brigade etc.), among others, fall under the category of such offences.

Therefore, all business areas that due to the conduct of its business have relations with the public administration (so-called "direct risk") or that manage financial resources that could be used to allocate benefits and utilities to public officials (so-called "indirect risk") are considered at risk.

- **Corporate offences:** these concern balances and bookkeeping information that the Company provides to external bodies, the transparency of the relationship with the auditing company and with the public supervisory authorities.
- **Offences connected with safety in the workplace:** of extreme importance, these offences concern all accidents in the workplace deriving from the violation of accident prevention regulations. In particular, for the accident to be relevant under the Legislative Decree 231/2001, it must lead to the "incapacity to carry out occupation" for more than 40 days.
- **Crimes related to the laundering, receiving and use of goods and money of unlawful origin and "self-laundering":** following the entry into force into Italian law by Legislative Decree 231/2007, the liability was also extended to these types of offences. It is pointed out that with the introduction of self-laundering offences in Legislative Decree 231/01, the activities at inherent risk are theoretically those activities carried out by the Company that, in violation of existing legislation, could generate a profit to be used in economic, financial, entrepreneurial or speculative activities.
- **Tax offenses:** Tax offenses have as a prerequisite the management of all processes that have an impact on accounting (e.g. active cycle, passive cycle, etc.), on tax obligations (e.g. periodic VAT calculation and settlement, etc.), on the preparation of the financial statements (eg closing entries, inventory valuation, on the determination of taxes, etc. All

the areas that are involved in these processes for any reason are therefore theoretically defined as at risk.

- **Computer crimes, illegal processing of data and infringement of copyright:** generally speaking, these crimes presuppose the management, use, implementation, maintenance, etc. of an IT system or computer and, more specifically, the type of IT and/or computer system used by the Company with reference to both the hardware and software.
- **Copyright infringement:** in short, the crimes related to copyright infringement are based on the management and use of software applications, or audiovisual, cinematographic, musical and literary works (eg images, videos , etc.).
- **Crimes against industry and commerce:** law 99/2009 included crimes that presuppose offences against the industry and commerce (e.g. "fraudulent trading", "food fraud", etc.). The crimes assume the existence of activities linked to the production or marketing of goods.
- **Counterfeiting money, public bonds, duty stamped papers and identification instruments or marks:** in principle, the activities theoretically "at risk" include counterfeiting, alteration or use of trademarks, distinctive signs or patents, models or drawings without having appropriate rights.
- **Environmental crimes:** Legislative Decree 121/2011 introduced environmental crimes in Legislative Decree 231/2001 (Article 25 undecies). The application of the administrative liability of legal persons was thus extended to crimes committed in violation of the environmental protection regulations.
- **Employment of irregular foreign workers:** this offence takes into consideration activities that belong to the direct management of personnel (e.g. recruitment) or indirect management thereof (e.g. contracting).
- **Offences against individuals:** see the previous point.
- **Racism and xenophobia:** there is a penalty for those who spread ideas based on superiority or racial or ethnic hatred, or who instigate to commit acts of discrimination on racial, ethnic, national or religious grounds, basing in whole or in part on denial, on the serious minimization or apology, of the Holocaust or of genocide crimes, crimes against humanity and war crimes.
- **Bribery among private individuals:** The activities at risk are conceptually all activities of the Company (except those that provide only for relationships with public entities) since the offence can be committed against the senior management or employees of the company or against senior management and employees of private external organisations.
- **Organised crime:** this applies to all offences mentioned above if committed through a continuously associated bond with a criminal purpose and the "Criminal Association crime (Article 416 of the Penal Code)" can also be applied.



The person in charge of the company is excluded, or limited, if, before any of these crimes are committed, suitable organisation, management, and control models ("Models") designed to prevent these offences have been adopted and effectively put into practice.

In agreement with article 6, paragraph 2 of the Decree, to exclude the responsibility of the company, the model must:

- Identify the **activities** in which the offence may be committed;
- Provide **specific protocols and procedures** used to prevent offences from being committed (even those which already exist);
- Ensure **obligations of providing information to** the body delegated to supervise the operation and observance of the model;
- Introduce a **disciplinary system**, supplementing what is already specified by the reference National Collective Labour Contracts, suitable for sanctioning non-compliance with the measures indicated in the model.

Very briefly, the basis of that liability consists of an "organisational fault" for the Company. In practice, the Company is liable for the administrative offence resulting from the Crime committed by one of its representatives if the company has failed to provide an organisation that can actually prevent the implementation (or at least significantly reduce the possibility) and, in particular, if it has failed to adopt a system of internal controls and proper procedures for carrying out the activities with a higher risk of commission of offences (for example, as part of bargaining with the Public Administration) specified by the Decree.

It is advisable to remember that the model must be suitable for reducing the commission of the related offences by reducing the risk that – in keeping with the ratio of the legislator and the guidelines of Confindustria (Italian Employers' Federation) for the drafting of the models – is "acceptable". Thus, the model will only constitute a justification of the responsibility of the body when the relevant subjects, "fraudulently" deceiving the control system adopted, have committed the offence.

In accordance with Legislative Decree 231 dated 8 June 2001 and inspired by the guidelines provided by Confindustria (Italian Employers' Federation), as well as to ensure fairness and transparency in the conduct of business, Monini SpA has adopted an Organisational, Management and Control Model pursuant to Legislative Decree 231/2001 ('Model') and established a Supervisory Body composed of a member external to the Company to whom the Board of Directors conferred "independent powers of initiative and control".

The Model also consists of the Code of Ethics and the Disciplinary System.

The Health and Safety as well as the Quality system, the self-control system based on the HACCP method, the various certifications obtained by the Company, the operating procedures, work instructions and any other related documents that are in force from time to time are also integral parts of the Model.



The system used also allows company personnel to report any conduct not in line with the Code of Ethics, the Model or the implementation procedures to the Judicial Authority and the SB immediately if they discover irregular situations or conflicts of interest, even if potential.

The Model is dynamically designed and requires constant updating to reflect the changes occurring within the company.