

# **FINE FOODS & PHARMACEUTICALS N.T.M. S.p.A.**

Organisation, Management and Control Model  
pursuant to Legislative Decree 231/2001

## **Disciplinary System**

**LIST OF REVISIONS**

<b>REV.</b>	<b>DATE</b>	<b>TYPE OF AMENDMENT</b>	<b>APPROVAL</b>
01	28 March 2019	<b>Disciplinary System</b>	Board of Directors

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## 1. FOREWORD

The disciplinary system suitable for sanctioning non-compliance with the Organisation, Management and Control Model (hereinafter referred to as the "Model") and the Code of Ethics is to be considered an indispensable element of the Model itself and a tool for ensuring its effective implementation.

In this regard, Article 6, paragraph 2, letter e) of Legislative Decree 231/01 (hereinafter referred to as the "Decree") provides that the organisation and management models must "introduce a disciplinary system suitable for sanctioning non-compliance with the measures indicated in the Model".

Article 7, paragraph 4, letter b) of the Decree also states that the effective implementation of the Model also requires "a disciplinary system suitable for sanctioning non-compliance with the measures indicated in the Model".

Fine Foods & Pharmaceuticals N.T.M. S.p.A. (hereinafter referred to as Fine Foods or FFP) has built up its own Disciplinary System, reported in this document, based on the above-mentioned articles, the jurisprudential rulings and the indications provided by the Confindustria Guidelines.

The Disciplinary System is distributed to all Recipients and to Third Party Recipients.

### 1.1 The main regulatory references in the Disciplinary System

- The relevant legal provisions: in particular Art. 7 of Law 300/70 (Workers' Statute), Art. 2104 of the Italian Civil Code (diligence of the employee), Art. 2105 of the Civil Code (duty of fidelity), Art. 2106 of the Civil Code (disciplinary sanctions) Art. 2118 of the Civil Code (withdrawal from the contract) and art. 2119 of the Civil Code (withdrawal for just cause);
- the provisions of the applicable collective labour agreement;
- Art. 1176 (diligence in performing duties), Art. 1218 of the Italian Civil Code (debtor liability) and Art. 1456 (express termination clause);
- Art. 13 of Legislative Decree 39/10 (Assignment, revocation and resignation from office, termination of the Statutory Auditor's contract);
- Art. 1382 of the Civil Code (effects of the penalty clause) and Art. 1456 (express termination clause);
- Health and safety regulations: Art. 20 of Legislative Decree 81/08.

The sanctions provided for by the Disciplinary System, which are an integral part of the Organisation, Management and Control Model, have the same disciplinary nature as the provisions of Art. 7 of the Workers' Statute and its subsequent amendments and the

disciplinary sanctions provided for by the National Collective Labour Agreement and its subsequent amendments.

## **1.2 Principles of the Disciplinary System**

The system of sanctions described below is an autonomous system of measures, aimed at ensuring compliance with and effective implementation of the Model and the Code of Ethics, rooting in the company staff, and in anyone who collaborates in any capacity with the Company, the awareness of the strong willingness of the latter to pursue any violation of the rules established for the proper conduct of business. The application of the sanctions established by the Model does not replace or suppose the imposition of further possible sanctions of another nature (criminal, administrative, tax), which may derive from the same fact.

With this Disciplinary System, the Company also sanctions actions or conduct, including omissions, which, although they are not included in the Model, regardless of the criminal relevance for the individual or the Company, may expose the Company to the risk of committing one or more of the offences provided for by Legislative Decree 231/2001, even if the offence is not actually committed and/or does not cause damage to the Company itself.

If the violation committed also constitutes a hypothesis of crime that may be notified by the Judicial Authority, and the Company is not able, with the means of ascertainment at its disposal, to arrive at a clear reconstruction of the facts, it may wait for the outcome of the judicial investigations to adopt a disciplinary measure.

The disciplinary procedure is initiated upon drive of the Vigilance Commission (“OdV”), which also carries out a task of giving advice over its entire course.

In particular, the OdV, once it has been informed of a violation or presumed violation of the Code of Ethics or the Model, takes immediate action to carry out the necessary checks, ensuring the confidentiality of the person against whom proceedings are being taken.

The bodies or functions holding disciplinary power shall initiate the procedures for which they are responsible in order to dispute and apply any sanctions.

Sanctions for violations of the provisions of the Code of Ethics and the Model are adopted by the bodies that are competent by virtue of the powers and assignments conferred on them.

## **1.3 Content and recipients of the Disciplinary System**

The Disciplinary System of Fine Foods contains:

- the facts that are considered relevant from a disciplinary point of view;
- the related sanctions in accordance with the law and the CCNL (National collective labour contract);
- the rules of procedure for contesting and imposing sanctions.

The sanctions identified in this Disciplinary System are applied, with specific aspects, to the following subjects:

- employees (who are not senior managers);
- senior managers;

- members of the Board of directors;
- members of the Board of statutory auditors;
- auditing company;
- external parties acting on behalf of Fine Foods (self-employed workers, quasi self-employed workers, suppliers, professionals, etc.).

## 2. SANCTIONS AGAINST EMPLOYEES

With regard to employees with the status of blue-collar worker, white-collar worker and manager, in the case in question, the measures provided for by Art. 7 of Law 20 May 1970 no. 300, (Workers' Statute) – the provisions provided for by CCNL (National Labour Contract) for employees of food industry companies are applicable.

In connection with the provisions of this paragraph, employment relationships with employees working abroad, even after secondment, are governed, within the EU Member States, by the rules of the Convention on the law applicable to contractual obligations, which was opened for signature in Rome on 19 June 1980 and, for contracts concluded after 17 December 2009, by EC Regulation no. 593/08 on the law applicable to contractual obligations, as well as, outside this area, the local provisions in force.

In accordance with the principles of gradualness and proportionality, the type and level of penalties to be imposed shall be determined on the basis of the following criteria:

- seriousness of the violations committed;
- the duties and functional position of the persons involved in the facts;
- voluntary conduct or degree of negligence, recklessness or inexperience;
- overall conduct of the worker, with particular regard to the existence or lack of previous disciplinary measures, to the extent permitted by law and the national collective labour agreement;
- other particular circumstances that accompany the disciplinary violation.

On the basis of the principles and criteria indicated above:

a) the measures of *verbal reprimand*, *written reprimand*, *fine* and *suspension from work and remuneration* will be applied if the employee violates the procedures provided for by the Model or in any case behaves in a manner that does not comply with the provisions of the Model itself or the Code of Ethics when carrying out activities in areas at risk of committing crimes, using the case set out in letter g), paragraph 2, of Art. 99 of the National Collective Labour Agreement, and/or the violation of Art. 2104 of the Civil Code. In particular, the provision of a *fine not exceeding the amount of three hours of remuneration* will normally apply. In the event of greater seriousness or repeated infringements in the aforementioned failures such as not to give rise to the terms of dismissal, suspension from work and pay for up to three days may be applied, while in cases of lesser seriousness, verbal or written reprimand may be applied.

b) the measure of *dismissal with notice* (for justified reason) will be applied when the worker adopts, in the carrying out of activities in areas at risk of committing crimes, a conduct that does not comply with the provisions of this Model or the Code of Ethics, such as to constitute a significant breach of contractual obligations or conduct seriously prejudicial to production, work organization and its proper functioning (Art. 100, no. 2, CCNL), as for example:

- any conduct unambiguously aimed at committing an offence provided for by the Decree;
- any conduct aimed at concealing the commission of an offence provided for by the Decree;

- any conduct that deliberately contravenes the specific measures provided for by the Model and the related implementation procedures, including those to protect the safety and health of workers.

c) the measure of *dismissal without notice* (for just cause) will be applied in the presence of conduct consisting in the serious and/or repeated violation of the rules of conduct and Procedures contained in the Model or of the provisions of the Code of Ethics, as such conduct does not allow the continuation, even temporary, of the employment relationship (Art. 100, no. 3, CCNL).

Violation of procedures or conduct that does not comply with the Model and the Code of Ethics means the following conduct, in addition to those already described in the CCNL:

- failure to comply with the procedures provided for by the Model aimed at implementing the Company's decisions in relation to the crimes to be prevented;
- failure to comply with the obligations to document the activities provided for by the procedures provided for by the Model for processes at risk;
- non-compliance with the principles and rules of conduct contained in the Code of Ethics;
- non-compliance with the rules of conduct defined in the procedures, operating instructions and operating manuals;
- omission of the obligations deriving from Art. 20 of Legislative Decree 81/08 on health and safety in the workplace;
- hindering or circumvention of the OdV controls, impediment of the access to information and documentation towards the subjects in charge of the controls;
- failure to inform the OdV as well as the Board of Directors about information flows specified in the Model;
- failure to report non-compliance or irregularities committed by other workers and top management;
- violation of the measures adopted by the Company to protect the whistle-blower, which consists in the violation of the protective measures guaranteed to the whistle-blower, or in the (intentional or grossly negligent) making of misleading reports, or which in any case prove to be unfounded.

Disputes, which will result in the application of sanctions other than verbal reprimand, must necessarily be written, so as to ensure the traceability of the application in the system and the measures against the sanctioned party.

### **3. SANCTIONS AGAINST SENIOR MANAGERS**

The management relationship is characterised by its fundamental fiduciary nature. The conduct of the *Senior Manager* not only has repercussions inside the Company, constituting a model and example for all those who work there, but also has an impact on the external image of the Company. Therefore, compliance by the Company's senior managers with the provisions of the Code of Ethics, the Model and the related

implementation procedures is an essential element of the executive employment relationship.

With regard to *Senior Managers* who have committed a violation of the Code of Ethics, of the Model or of the procedures established in its implementation, the function holding the disciplinary power initiates the proceedings within its competence to carry out the relative disputes and apply the most suitable sanctions, in compliance with the provisions of the National Collective Labour Agreement for Senior Managers and, where necessary, with the observance of the procedures set out in art. 7 of Law no. 300 of 30 May 1970.

The sanctions must be applied in compliance with the principles of gradualness and proportionality with respect to the seriousness of the act and of guilt or wilful misconduct, if any.

Among other things, with the objection, the revocation of any powers of attorney entrusted to the person concerned may be cautiously ordered, up to any termination of the relationship in the presence of violations so serious that the relationship of trust with the Company ceases to exist.

#### **4. SANCTIONS AGAINST DIRECTORS AND STATUTORY AUDITORS**

Fine Foods is rigorous in its evaluation of any violation of this Model carried out by those who hold top management positions within the Company, and who, for this reason, are more able to guide the corporate ethics and the work of those who work in the Company to the values of fairness, legality and transparency.

The following sanctions may be applied to directors and statutory auditors, in proportion to the seriousness of the offence committed:

- Verbal warning;
- Withdrawal from office for just cause.

In accordance with the provisions of the Civil Code, the revocation for just cause referred to in Articles 2383, paragraph 3, and 2400, paragraph 2, is identified as the sanction to be provided for the most serious offences, i.e. those that constitute the compromising of the fiduciary relationship between the director or the statutory auditor and the shareholders.

Disciplinary power over directors and statutory auditors lies with the Shareholders' Meeting, which, in compliance with the provisions of the Civil Code and the Articles of Association, is called upon to decide on any revocation or action for liability against them.

The conduct that can be sanctioned is the same as that attributable to the employees specified above.

The assessment and choice of the sanction, among those possible, to be imposed must take into account the seriousness and repetition of the conduct. The repetition of the above-mentioned conduct constitutes a symptom of greater seriousness of the violations.

In the event of violations such as to constitute a just cause for revocation, the Board of Directors shall propose to the Shareholders' Meeting that the relevant measures shall be adopted and shall provide for the additional duties provided for by law.

#### **5. SANCTIONS AGAINST THE STATUTORY AUDITORS**

The Auditor or the Auditing Firm is subject to the Disciplinary System provided for the Board of Statutory Auditors, with competence of the Shareholders' Meeting for decisions on the imposition of sanctions in compliance with the law.

## **6. EXTERNAL SUBJECTS (SELF-EMPLOYED, QUASI SELF-EMPLOYED WORKERS, SUPPLIERS)**

Any violation of the Code of Ethics and of the Model of Organisation, Management and Control by suppliers, collaborators, consultants or partners is sanctioned, in accordance with the provisions of specific contractual clauses included in the relevant contracts, letters of appointment or partnership agreements, with the termination of the contractual relationship, without prejudice to any claims for compensation if such conduct causes concrete damage to the Company.

## **7. PROCEDURAL RULES**

The Company may not adopt any sanction pursuant to this Disciplinary System without having previously contested the charge to the person who has committed one or more violations of the principles of the Code of Ethics and of the Model of Organisation, Management and Control procedures and protocols without having heard him/her in his/her defence.

In order to ensure the right of defence, the procedures provided for by the Disciplinary System shall be carried out in full compliance with the principles of specificity and immutability of the dispute.

Every violation must be immediately challenged and the relative disciplinary sanction adopted in compliance, where applicable, with the terms indicated in the Collective Labour Agreement of reference.