



SUSTAINABILITY

Organization, Management and Control Model

Italian Legislative Decree n°.
231/2001

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General Part

INTRODUCTION

A. PURPOSES OF ORGANIZATION, MANAGEMENT AND CONTROL MODEL

This document describes the Organization, Management and Control Model adopted by L'ITALIANA AROMI s.r.l. pursuant to Italian Legislative Decree n°. 231 of June 8, 2001 ("Legislative Decree 231/2001" or "Decree").

The Organization, Management and Control Model ("Model 231") is understood as a coherent set of principles and rules of conduct governing the internal operation of the Company and the way in which the Company establishes and maintains external relations, and regulating the control system of sensitive activities, in order to prevent the perpetration, or attempted perpetration, of such offences as referred to in Legislative Decree 231/2001.

Hence the adoption of Model 231 allows the Company:

- to prevent and fight the perpetration of such offences as contemplated in Decree 231/2001 and punish any conduct held by the business functions in breach of the Law and company rules by monitoring sensitive activities;
- to sensitize both the business functions and the stakeholders (customers, suppliers, consultants, partners etc.) to the importance of ensuring – in the performance of business operations – fair, transparent forms of conduct in line with the ethical/social values of the Company and such as to prevent the risk of committing such offences as contemplated by Decree 231/2001;
- to make the said persons aware of the fact that unlawful conduct may result in the enforcement of administrative penalties – for example, against the Company – and is thus contrary to the interests of the Company, even when the Company could apparently derive a benefit therefrom;
- to verify, rationalize, revise and supplement the decision-making and operating processes as well as the control systems of the Company;
- to sensitize the business functions to the importance of complying with, and implementing, the rules of conduct and the prevention protocols adopted by the Company, making them aware that the breach of the provisions contained in this document might result in an unlawful act subject to criminal, civil and disciplinary penalties.

B. RECIPIENTS OF MODEL 231

The contents of Model 231 apply to, and shall be complied with by, all the business functions. The recipients ("Recipients") hereof include, without limitation:

- persons serving as representatives, or holding senior executive or administrative positions in the Company, and persons exercising management and control of same, even if only de facto;
- employees and consultants of the Company, of any level and by virtue of any type of contractual relationship.



The said Recipients, and in particular those carrying out activities identified as being at risk, are required to carefully observe all the provisions of Model 231, including on account of their obligation of fairness and due care arising from the legal relationships they have entered into with the Company.

Furthermore, the Code of Ethics binds any and all third persons acting on behalf, or in the interest, of the Company, although they do not belong to the organization of the Company, pursuant to specific contractual clauses.

C. STRUCTURE OF MODEL 231

Model 231 of L'ITALIANA AROMI s.r.l. is comprised of the following:

General Part, which describes the function of Model 231, the reference regulatory framework and the structure of Model 231 as adopted by the Company, briefly outlines the risk identification and prevention measure analysis methods, the Management and Control System applied within the Company, the functions and operations of the Oversight Body and the disciplinary system in force;

Special Parts, which identify – with regard to significant offences – the business processes that are potentially at risk under Legislative Decree 231/2001, illustrate the hypothetical means of committing offences and define the standards of conduct to comply with as well as the reference risk prevention measures.

The following shall also be an integral and substantial part of Model 231:

- the **Code of Ethics**, which defines the general ethical principles that shall be complied with by all the business functions;
- the **Management and Control System** as applied within the Company and structured into the parts described in section 3.2.

1. REGULATORY FRAMEWORK

1.1 LIABILITY OF BODIES

Legislative Decree n°. 231 of June 8, 2001 introduced the “Regulations on administrative liability of bodies, companies and associations with or without legal status” into Italian law, thereby establishing the direct liability of Bodies for unlawful acts committed in their interest, or to their advantage, by senior officers or otherwise by persons reporting to others.

The Decree implements a regime of administrative liability for legal entities, as added to the criminal liability of the natural person who belongs to the Body and is the material perpetrator of the unlawful act.

In particular, a Body is liable for offences committed in its interest, or to its advantage, by:

- **senior officers**, namely persons serving as representatives, or holding administrative or senior executive positions within the Body or a financially and functionally independent organisational unit of same, as well as persons actually exercising management and control of the Body, even if only de facto;
- **persons reporting** to others, namely persons under the direction or supervision of senior officers.

According to prevailing case law, the concepts “interest” and “advantage” of the Body mean two alternative criteria of attribution of liability.

In particular, the criterion of interest expresses an assessment which can be appreciated ex ante – that is, at the time of the occurring of the act, according to a markedly subjective opinion; whereas the criterion of advantage has a mainly objective connotation and, as such, can be assessed ex post – that is, on the basis of the effects actually arising from the occurring of the offence.

On the contrary, the Body cannot be held liable if the predicate offence was committed by a business function solely in his or her own interest or in the interest of others.

The administrative liability of a Body only applies to certain offences – as expressly set out by the Legislator in the Decree or established by specific laws – which are commonly defined as “predicate offences”.

The liability of the Body is separate from, and independent of, the liability of the natural person who committed the offence – that is, the Body is also liable when the perpetrator of the offence is not identified or is not prosecutable, or if the offence is extinguished for a reason other than an amnesty.

Such liability also applies to offences committed abroad, provided that prosecution is not brought by the State in the place where the act is committed.

The Body is also liable in case of such predicate offences as envisaged by the Decree in the form of attempted felonies. Fines and disqualification measures are reduced by one third to a half in the case of attempted felonies.

However, the Body is not liable when, of its own volition, it prevents the action or completion of the event.

1.2 EXEMPTION FROM LIABILITY



Articles 6 and 7 of Legislative Decree 231/2001 envisage some particular cases of exemption from administrative liability of Bodies for offences committed by senior officers or persons subject to the direction or supervision of others.

Under Article 6, if an offence is committed by any senior officers, the Body is not liable if it is able to demonstrate that:

- ✓ the senior executive organ adopted and efficiently enacted, prior to commission of the act, an organisational and management model which is capable of preventing offences of the type occurring;
- ✓ the task of overseeing the operation of, and compliance with, the Model and seeing to the updating of same has been delegated to an Oversight Body vested with powers to act on its own initiative and conduct monitoring;
- ✓ the person responsible committed the offence by fraudulently circumventing the said Model;
- ✓ there has been no omission or insufficient oversight on the part of the Oversight Body.

Whereas if an offence is committed by any persons subject to the direction of others, the Body is liable if commission of the offence is made possible by means of noncompliance with the direction and oversight requirements.

Under the Decree noncompliance with the direction and oversight requirements is ruled out if the Body, prior to commission of the offence, adopted and efficiently implemented an organizational and management model which is capable of preventing offences of the type occurring.

The exemption of liability of the Body cannot be merely determined through the adoption of the Organization and Management Model, but by way of its efficient implementation, establishing all necessary prevention measures and controls to reduce the risk of perpetration of predicate offences.

In this respect, Legislative Decree 231/2001 provides specific instructions regarding the minimum contents of Model 231. In particular, under the Decree, the Model shall fulfil the following requirements:

- identify the activities in relation to which offences may be committed;
- provide for measures to ensure performance of the activity in compliance with the law and to promptly discover risk situations, taking account of the type of activity performed as well as of the nature and size of the Body;
- provide for specific direct protocols and schedule training and implementation of decisions by the Body regarding offences to be prevented;
- identify procedures for managing financial resources which are fit to prevent the commission of such offences;
- provide for obligations to disclose information to the Oversight Body;
- introduce and implement a disciplinary system to punish noncompliance with such measures as set out in the Model;
- provide for regular verification of, and amendments to, the Model when significant breaches of rules are discovered or otherwise when significant changes are made to the organization or business.

1.3 PENALTIES

The assessment of the liability of the Body and the implementation of penalties are the responsibility of the Criminal Judge, who will render a judgement on the criminal liability of the natural person.

Under Article 9 and following articles of Legislative Decree 231/2001, administrative penalties can be divided into the following categories:

➤ Fines.

Fines are levied in all cases in which the administrative liability of the Body is upheld. They are applied using a quota system.

In order to determine the amount of any fine, the Judge will take account of the financial and economic conditions of the Body, the severity of the act, the degree of liability on the part of the Body and the activity performed to eliminate, or mitigate, the consequences of the act, and to prevent the commission of further unlawful acts.

Under Art. 12 of Legislative Decree 231/2001 fines are reduced if:

- the perpetrator of the offence committed it primarily in his or her own interest or in the interest of third parties and the Body obtained no advantage, or obtained a minimal advantage;
- the financial damage caused is particularly slight;
- prior to the commencement of court of first instance proceedings, the Body provided full compensation for the loss or damage and eliminated all harmful or hazardous consequences of the offence or otherwise took effective action to that end;
- prior to the commencement of first instance proceedings, an organizational model is adopted and implemented to prevent offences of the type occurring.

➤ Disqualification.

As well as fines, disqualification measures may also be applied, but only in the event of offences for which disqualification is expressly provided for by Law.

Under the Decree disqualification measures include the following:

- disqualification from exercising the company business;
- suspension or cancellation of authorisations, licences or concessions serving to commit the unlawful act;
- prohibition on entering into contracts with the Public Administration, unless done so in order to obtain a public service;
- exclusion from benefits, loans, contributions and subsidies, or possible cancellation of those already granted;
- prohibition on publicising goods or services.

The said disqualification measures are imposed when at least one of the following conditions is met:



- the Body obtains significant profit from the offence and the offence is committed by senior officers or otherwise by persons reporting to others when, in this case, commission of the offence is caused or facilitated by severe organizational shortcomings;
- in the event of repeated unlawful acts.

However, disqualification measures may not be applied in the above mitigated cases – that is, when the financial damage caused is particularly slight or the perpetrator of the offence committed it primarily in his or her own interest or in the interest of third parties and the Body obtained no advantage or obtained a minimal advantage.

Without prejudice to the imposition of fines, disqualification measures are not applicable when, prior to the commencement of proceedings, all the following conditions are met:

- the Body has provided full compensation for the loss or damage and eliminated all harmful or hazardous consequences of the offence or has otherwise taken effective action to that end;
- the Body has eliminated the organisational shortcomings giving rise to the offence by adopting organisational models capable of preventing offences of the type previously occurring;
- the Body has made the profits obtained available for confiscation.

Disqualification measures are, in principle, temporary.

However, if the Body obtains significant profit from the offence and has already been sentenced, at least three times in the last seven years, to temporary disqualification from carrying on business, final disqualification may be ordered.

Likewise, the Judge may disqualify the Body, such decision being final, from entering into contracts with the public administration or may otherwise prohibit the Body from advertising goods or services if the same penalty has already been imposed at least three times in the last seven years.

The Body is again disqualified from carrying on business, such decision being final, if the Body or an organisational unit of same is used on an ongoing basis solely, or primarily, to allow or facilitate the commission of offences for which the Body may be found liable.

In cases where conditions are met for disqualification giving rise to interruption of the Body's business, if the Body performs a public service or an essential public service the interruption of which may cause serious harm to the community, or if interruption of the Body's business may cause serious repercussions to levels of employment, given the size and economic conditions of the territory in which it is situated, in lieu of application of the disqualification penalty, the Judge may order the Body's business to continue and to be run by a temporary receiver for a period amounting to the duration of the disqualification which would have been applied.

Disqualification measures may also be ordered as an interim measure during criminal proceedings, at the request of the Public Prosecutor, when there is serious circumstantial evidence that the Body is liable and provided there are elements leading the Public Prosecutor to believe there is a very real danger that unlawful acts of the same type may be committed.



➤ Confiscation.

When convicted, the proceeds and profits of the offence are always confiscated, save for a portion which may be returned to an injured party and without prejudice to rights acquired by third parties in good faith.

When it is not possible to effect confiscation of the assets that constituted the proceeds and profits of the offence, sums of money, assets or other valuable interests equivalent to the proceeds or profits of the offence may be confiscated.

➤ Publication of the decision.

The judge may order that the conviction be published, either in abridged form or in its entirety, at the expense of the convicted Body, when the Body is disqualified.



2. L'ITALIANA AROMI s.r.l.

Back in 1890, Bernardo Tirelli founded the pharmaceutical laboratory “Preparati Farmaceutici Chiassesi” in Ponte Chiasso.

His passion for, and knowledge of, herbs and roots were handed down from father to son and allowed – a few years later – his business to be turned into an industrial enterprise for the production of extracts and essences for spirits, bitters, syrups and soft drinks.

Since then, a number of significant steps, one following the other, have been leading to major ongoing changes, showing the company’s ability to keep abreast of the times.

Throughout more than a century, L’Italiana Aromi went through two world wars and experienced the subsequent economic boom that resulted in a real consumption revolution. It was then that the established company combined its expertise and tradition with technological development, with a view to supplying the expanding food industry with top-quality flavourings.

Over the years, the Tirelli family’s insight and competence gained them a primary role in the food flavouring industry.

Nowadays our production targets several fields of food consumption, the common thread throughout them being our commitment to quality by working hand in hand with our customers, and assisting them in using our products to optimize the quality of their production.

In 2011, we relied on our remarkably wide supply in an increasingly demanding market to divide our organization into four departments:

- ✓ Savoury
- ✓ Beverage
- ✓ Health and Nutrition
- ✓ Sweet Applications.

In each department, dedicated, highly trained staff are engaged in ongoing research and production projects.

Deep technical/scientific knowledge and rigorous control and testing plans provide our customers with high, constant quality standards.

3. MODEL 231 OF L'ITALIANA AROMI s.r.l.

L’ITALIANA AROMI s.r.l. has deemed it consistent with its company policy to adopt the Organization, Management and Control Model pursuant to Legislative Decree 231/2001.

The Model is aimed at establishing a structured, organic prevention, management and control system in order to reduce the risk of committing offences, through the identification of sensitive activities – that is, activities at higher risk of offences being committed – and the regulation thereof.

3.1. DEVELOPMENT, IMPLEMENTATION AND MODIFICATION OF MODEL 231

3.1.1 Risk Assessment

The first step for the purpose of the preparation of Model 231 consists in assessing risks – that is, in identifying and evaluating the factors that may determine the risk of committing such offences as contemplated in Legislative Decree 231/2001 within the different business activities carried out by the Company.

The company structure was examined in detail to identify sensitive areas and activities, thereby preventing the commission of offences, with regard to the relations and operating structure within the Company as well as to the relations and contacts developed with third parties unrelated to the company organization (consultants, customers, suppliers and any other partners).

The in-depth analysis of the organization structure and business, conducted with the help of legal advisers, involved, first of all, examining the corporate documentation (e.g. certificate of incorporation, organization chart, organisational arrangements, procedures etc.).

Afterwards, several interviews were conducted with the key managers resulting from the organization chart, with a view to providing an actual, comprehensive picture of the Company's business, its ramifications and the salient aspects of each management and operating process.

In particular, the following people were interviewed:

- ❖ Sales Manager;
- ❖ Technical Department Manager;
- ❖ Administration Department Manager – Personnel Department – Workers' Safety Representative;
- ❖ Purchasing Manager;
- ❖ HACCP System Manager;
- ❖ Prevention and Protection Service Manager;
- ❖ Sole Statutory Auditor;
- ❖ IT System Administrator – IT System Manager;
- ❖ IT System Administrator – IT Security Manager;
- ❖ Raw Material Control Manager;
- ❖ Maintenance Manager.

The "mapping of risk areas" was focused on the following:

identification of the activity subject to verification;

- identification of the business function responsible for the process – that is, of the business function under whose responsibility the activity is conducted;
- identification of the predicate offence to prevent;
- prediction of how such offences could be committed;
- analysis of the degree of probability of perpetration of the highlighted offences with regard to both the type of market and the history of the Company;



- analysis of the severity of the applicable penalties, as assessed in relation to the hypothetical impact thereof on the Company's business;
- analysis of the level of risk relating to every single predicate offence, as assessed on the basis of both the degree of probability of perpetration of the offence and the severity of the applicable penalties;
- analysis of the instruments available to the Company against the risk of committing offences;
- evidence of improvement profiles for the implementation of the offence prevention system and verification profiles under the supervision and control of the Oversight Body.

3.1.2 Identification of Sensitive Areas and Activities

Risk assessment serves to identify the sensitive activities of the Company – that is, of the lines of business that are most exposed to the risk of committing offences under Legislative Decree 231/2001.

Risk mapping suggests that at present sensitive activities mainly concern the following categories of offences:

- A. Offences regarding relations with Public Administration – Articles 24, 25 and 25-decies of Legislative Decree 231/2001;
- B. Corporate offences – Article 25-ter of Legislative Decree 231/2001;
- C. Offences regarding workplace hygiene and safety – Article 25-septies of Legislative Decree 231/2001;
- D. IT-related felonies, unlawful processing of data and felonies regarding breaches of copyright – Article 24-bis and Art. 25-novies of Legislative Decree 231/2001;
- E. Tax offences - Article 25-quinquiesdecies of Legislative Decree 231/2001;
- F. Environmental offences – Article 25-undecies of Legislative Decree 231/2001;
- G. Felonies against industry and commerce and felonies against industrial property – Article 25-bis and Article 25-bis.1

A specific Special Part of Model 231 was created for each of the above categories of offences, to supplement the systems that were already available to the Company.

As regards further categories of offences, the principles codified in the Code of Ethics, the general principles of control, the principles set out in the Special Parts of this Model, and such prevention measures as referred to therein will apply as proper risk prevention and management measures.

However, the Company will see to the prompt implementation and updating of Model 231 – for example, in the Special Parts – in the event that any new predicate offences concerning liability under Legislative Decree 231/01 should be introduced or the sensitive activities relating to the categories of offences that have already been assessed should change.

3.1.3 Risk Management and Gap Analysis

After the sensitive areas of the Company and the risk profiles are identified, such risk shall be managed or governed, in order to prevent the occurrence of liability under Legislative Decree 231/2001 on the part the Company.



The degree of effectiveness of the existing management and control system was then verified on the basis of the mapping of such sensitive processes as identified above, as well as of the adopted procedures and measures, with a view to determining any critical issues regarding the prevention of the offence/risk.

Hence risk mapping was the rationale for so-called gap analysis – that is, the identification of the measures and procedures that were needed to strengthen and improve the prevention of predicate offences.

Risk mapping also means the pattern that is key to checking – on the part of the Oversight Body – that the prevention measures that have already been arranged by the Company are constantly applied and implemented.

3.1.4 Adoption and Modification of Model 231

The adoption of Model 231 and any amendments and additions thereto are the responsibility of the Board of Directors, who will rely on the expertise and recommendations of the Oversight Body.

The effective implementation of Model 231 requires the modification thereof following any regulatory changes and on the basis of organization and production changes of the Company, with a view to the ongoing updating of same.

The Oversight Body shall submit to the Board of Directors such amendments or additions to Model 231 as deemed advisable by the Oversight Body following the performance of its functions.

Changes to the Model will be required, by way of example, in case of:

- changes in the organizational structure of the Body or in the manner in which the operational activities that result in a changed risk of committing offences are performed, with a direct impact on the internal control system;
- regulatory changes – for example, as a result of legislative additions of predicate offences and the related penalties;
- breaches of the Model, when one of the predicate offences is actually committed or any business activities are shown not to comply with the provisions of the Model.

The Board of Directors will inform the Oversight Body of any and all changes and additions to the Model and such documents as referred to therein.

3.1.5 Dissemination of Model 231 and Training of Business Functions

In order to ensure the full effectiveness of the Model, the Company will provide for maximum dissemination of the rules of conduct contained therein to the resources who are already available to the Company as to the resources to hire. Proper information about the adoption and updating of the Model has been provided by the Company Management.

The Model is made available to all the business functions in electronic or paper format at the Administration Department.

The training activities aimed at disseminating the knowledge of such regulations as set out in Legislative Decree 231/2001 and the principles of the Model will be held at the start of the employment relationship, within the training courses on health and safety in the workplace or through periodical refresher courses.



Training activities are meant to make the business functions aware of the provisions of Legislative Decree 231/2001, the parts of Model 231, the principles of the Code of Ethics, the individual types of offences contemplated by Legislative Decree 231/2001 and the Company's business considered sensitive in relation to predicate offences.

Participation in the training programmes on the part of the business functions is mandatory and presupposes the testing of the level of knowledge of both the Model and the prevention measures on the part of the business functions of L'ITALIANA AROMI s.r.l..

3.2 MANAGEMENT AND CONTROL SYSTEM OF L'ITALIANA AROMI S.R.L.

The Management and Control System that governs the decision-making and operating processes of L'ITALIANA AROMI s.r.l. is comprised of the following parts, which are individually examined in the sections below:

- ❖ Code of Ethics;
- ❖ corporate governance;
- ❖ organization chart;
- ❖ general principles of control and general principles of conduct;
- ❖ Quality Management System;
- ❖ HACCP Self-Control and Company Hygiene System;
- ❖ prevention measures.

Some parts of the Management and Control System have a general significance, in that they allow surveillance on all risk areas of the Company under Legislative Decree 231/2001. This is the case, in particular, with the Code of Ethics, corporate governance, the organization chart and the general principles of control.

Whereas other parts (general principles of conduct and prevention measures) vary according to risk area, as they have to adjust to the peculiarities of the different categories of predicate offences.

Furthermore, some specific parts of the Quality Management System and the HACCP Self-Control and Company Hygiene System allow surveillance on some specific risk areas.

Therefore, in the individual Special Parts, evidence will be given – from time to time – of the general principles of conduct, prevention measures and specific parts of the Quality Management System and the HACCP Self-Control and Company Hygiene System as applicable to the different categories of offences.

As stated above, the degree of effectiveness of the existing Management and Control System was verified and the measures and procedures that were needed to strengthen and improve the prevention of predicate offences were identified, on the basis of the mapping of sensitive processes.

In the course of surveillance operations, the Oversight Body will check that the arranged prevention measures are constantly applied and those requiring adoption are implemented.

3.2.1. Code of Ethics

The Code of Ethics of L'ITALIANA AROMI s.r.l. expresses the set of values and ethical principles that inspire the entrepreneurial conduct of the Company, in the relations within the Company as in the external relations



with public or private bodies, with a view to ensuring transparency, fairness and integrity in the actions and services provided by the Company.

The actions of the Company and strict compliance with the laws and provisions that apply to the areas of business of the Company are the guiding principles of the Code of Ethics, which establishes the standards of conduct that shall be observed by all the Recipients in the performance of their daily tasks.

The Code of Ethics is an integral and substantial part of this Model 231.

The principles and guidelines contained in the Code of Ethics shall be complied with by anyone who has an employment or business relationship with the Company or, more generally speaking, anyone who is a stakeholder of the Company.

Such obligation shall be deemed to be an essential part of the job performance.

In addition, the members of the Board of Directors are inspired by the principles of the Code of Ethics of the Company in setting business goals.

Since it is of the utmost importance that all the Recipients of this Model comply with the standards of conduct contained in this Code of Ethics within their functions and responsibilities, both for the proper operation and reliability of the Company, and for the safeguarding of the prestige and image of same, the Company ensures full knowledge and understanding of the Code of Ethics on the part of all the Recipients through the implementation of training and awareness procedures regarding the contents thereof.

The Company requires any of the business partners (suppliers, consultants, commercial or financial partners, agents) who maintain relations with the Company to comply with such principles as referred to in the Code of Ethics, including through specific contractual clauses.

Any violation of the Code of Ethics by the business functions will constitute a disciplinary offence, just as any violation of the provisions of this Model 231 will.

3.2.2 Corporate Governance

3.2.2.1 *Board of Directors*

L'ITALIANA AROMI s.r.l. is managed by the Board of Directors.

The Board of Directors is composed of the Chairman and two directors.

As a collective body, the Board of Directors is vested with the widest powers for the day-to-day and extraordinary management of the Company, in Italy as abroad, and has the power to carry out all the acts that are considered necessary and appropriate for the pursuit of the corporate purpose, except for the power to carry out the acts for which the Shareholders' Meeting is solely responsible under the Articles of Association and by law.

In particular, the Chairman of the Board of Directors acts as the employer and legal representative in all matters relating to health and safety in the workplace and environmental protection.

3.2.2.2 *Control Function*

The control function relating to corporate governance and auditing is exercised by a Sole Statutory Auditor.



3.2.3 Organization Chart

The Company broke down its own organizational structure, drawing up an organization chart showing the areas of the Company's business, the lines of hierarchical dependence of the individual business areas and the different organizational roles of the business functions.

The Company shall regularly update the organization chart according to the changes occurring in the organizational structure of the Company.



3.2.4 General Principles of Control and General Principles of Conduct

The Management and Control System of the Company is founded on the implementation of the principles codified in this Model 231. The said principles can be classified into two main categories:

- ✓ **General Principles of Control**, which govern the performance of the Company's lines of business, regardless of the individual offences or the level of risk underlying each of the identified sensitive activities.

They comprise the following principles:

- **Separation of functions:** there must be a separation of activities between the people who perform, those who verify and those who authorise operations;
 - **Existence of formal rules and standards:** there must be company rules providing at least general reference standards capable of regulating activities, responsibilities and controls;
 - **Traceability and Verifiability:** individuals, the business functions concerned and the IT systems used must ensure identification and reconstruction of the sources, the information used and the checks underlying the decision-making process of the Company and the procedures for the management of financial resources;
 - **Filing and Storage of Documentation:** the documents concerning the company business must always be filed and stored by the business function responsible therefor, and in such a manner as to ensure confidentiality, prevent any subsequent amendments that have not been specifically highlighted and allow access thereto only to the business functions responsible therefor – in accordance with internal regulations – and to oversight bodies.
- ✓ **General Principles of Conduct**, which contain special provisions governing the way decisions are made and implemented, within each of the categories of offences that are considered relevant to the Company and are the subject matter of the individual Special Parts of this Model 231.

Compliance with the general principles of control and the general principles of conduct is mandatory for all the Recipients of the Model, and the violation thereof constitutes a disciplinary offence and is subject to such penalties as referred to in the Chapter about the Penalty System.

3.2.5 Management Systems

L'ITALIANA AROMI s.r.l. has strategically decided to adopt a **Quality Management System**.

The Company is specifically engaged in quality control activities, relying on a complex organizational structure to comply with quality regulations, and constantly implementing specific procedures to that end.

The Company also has an HACCP Self-Control and Company Hygiene System.

Both Management Systems serve to mitigate the risk of committing predicate offences and form a solid basis for the implementation of the checks to carry out under the Decree as for the development and updating of the Model.



3.2.6 Prevention Measures

The prevention measures adopted by the Company constitute the set of rules that shall be complied with in the performance of the company business. Such rules also mean the standard rules and regulations concerning the management of sensitive activities in line with the applicable provisions and in compliance with Model 231.

The prevention measures adopted by L'ITALIANA AROMI s.r.l. can be classified as follows:

- ❖ document-related measures, meaning all the company documents containing the reference standards aimed at achieving the key goals of the Company – that is, the documents that identify operating roles, responsibilities, phases and information flows concerning the company business or within a process or part thereof.
- ❖ management-related measures, meaning any type of application used within the Company to govern one or more segments of the company business.

The Company uses the following main types of document-related measures:

- ✓ Manual and documents governing the Quality Management System;
- ✓ Manual and documents governing the HACCP Self-Control System;
- ✓ Anti-Bribery procedure;
- ✓ Balance Sheet and Accounting Management procedure;
- ✓ Financial Flow Management procedure;
- ✓ PR 03 Sales and Logistics procedure;
- ✓ PR 06 Supplier Qualification and Sundry Purchases procedure;
- ✓ PR 09 Personnel Management procedure;
- ✓ IT rules.

The Company uses the following main types of management-related measures:

- ✓ **AD HOC INFINITY ZUCCHETTI SYSTEM** – the management system used for book-keeping, first-note accounting records, active and passive invoicing and bill issuance;
- ✓ **ZUCCHETTI ACCESS & PRESENCE CONTROL SYSTEM** – the management system used to control access to the offices, departments and workstations according to task;
- ✓ **INTRANET** – used like a management system; it interacts with the AD HOC INFINITY ZUCCHETTI management system to allow the most significant processes concerning the Company (purchases, laboratories, production, sales, quality control) to be managed;
- ✓ **PARCEL EXCISE** – the management system used to manage the excise duties applicable to alcohol in the relations with the Customs Agency.

The verification of the effectiveness of the Management and Control System implemented within the Company involved identifying – for every single risk area – the reference document- and management-related measures.

Evidence of the outcome of the said analysis is provided in such Synoptic Risk Mapping Table as referred to above.



Furthermore, the specific reference measures for the different risk areas under Legislative Decree 231/2001 are referred to in the individual Special Parts.

The Oversight Body shall see to the ongoing application and implementation of the prevention measures introduced by the Company to govern the risks under Legislative Decree 231/2001.

In the event that any critical issues should arise from the actual implementation of the said measures, the Company shall accurately adapt them to such requirements as established under Model 231.

4. OVERSIGHT BODY

4.1 DEFINITION AND REQUIREMENTS OF OVERSIGHT BODY

As explained in section 1.2, pursuant to Article 6 of Legislative Decree 231/2001, exemption from administrative liability on the part of the Body requires that the task of overseeing the operation of, and compliance with, the Model and seeing to updating of same be delegated to an organization within the Company vested with powers to act on its own initiative and conduct monitoring, and that, after being appointed, such organization carry out its tasks effectively, without omitting, or providing insufficient, oversight.

In accordance with the said provision, L'ITALIANA AROMI s.r.l. identified its Oversight Body in a monocratic or collegial body.

The Oversight Body shall meet the following essential requirements as have been recognized over time in the Guidelines of leading industry and law associations:

- autonomy;
- independence;
- professionalism;
- integrity;
- continuity of action.

The autonomy of the Oversight Body consists in the autonomy of the control initiative from any form of interference or conditioning by any member of the Company in general and the Board of Directors in particular.

For actual autonomy to be safeguarded, the Oversight Body has a budget of its own available for the fulfilment of its tasks. The said budget may be supplemented by the Board of Directors, if need be, at the request of the Oversight Body.

For independence to be guaranteed, the Oversight Body is not directly involved in management activities that are the subject of its control activities, nor does the Oversight Body perform operational tasks which could affect such overall picture of the company business as required to be acquired on the part of the Oversight Body.



The requirement of **professionalism** means that the Oversight Body shall have the technical capabilities to carry out its functions relating to the Model as well as the qualities needed to guarantee that Model 231 will be constantly updated, by preparing update proposals and sending them to the Board of Directors.

As regards **integrity**, reference is made to the requirement that the members of the Oversight Body must have no previous criminal convictions or plea bargain sentences – whether executive or non-executive – for any predicate offences under Legislative Decree 231/2001 or must not have been given a sentence involving permanent or temporary disqualification from public offices, or temporary disqualification from the management offices of legal entities or companies.

Finally, **continuity of action** means that the Oversight Body shall ensure constant monitoring of compliance with the Model, verify the effectiveness and enforceability of same, promote continuous updating of the Model, and serve as a constant point of contact for any person who works for the Company.

In carrying out its tasks, the Oversight Body can avail itself – under its direct supervision and responsibility and within the limits of the allocated *budget* – of the cooperation of all the business functions as well as of external consultants, and take advantage of their competences and professional skills. Such power allows the Oversight Body to ensure a high level of professionalism and the required continuity of action.

4.2 APPOINTMENT, REVOCATION AND FORFEITURE OF MEMBERS OF OVERSIGHT BODY

The Oversight Body of the Company shall be appointed by resolution of the Board of Directors. Before appointing the Oversight Body, the Board of Directors shall check that such requirements as stated in the previous section are met.

The Company may opt for either a monocratic body – provided that such requirements as referred to in section 4.1 of the Model are met – or a collegial body, composed of three members, including at least two external members.

The Oversight Body will be in office for three years after appointment. The member (or members, if a collegial body is appointed) may always be re-elected. The Oversight Body will continue to carry out its functions until the new Body is appointed.

The powers of the member or members of the Oversight Body may be revoked by the Board of Directors for just cause.

Just cause for revocation shall mean:

- ✓ failure of the members of the Oversight Body to meet such essential requirements as stated in the previous section;
- ✓ disqualification or inability or a serious infirmity which causes the Oversight Body to be unsuitable to perform their supervisory functions;
- ✓ a serious breach of such duties as set out in this Model;
- ✓ a conviction of the Company with final judgement pursuant to Legislative Decree 231/2001, or criminal proceedings concluded through so-called “plea bargaining”, where the records show evidence of “omission or insufficient oversight” on the part of the Oversight Body, as provided for by Article 6, paragraph 1, letter d) of the Legislative Decree;
- ✓ a conviction with final judgement against one of the members of the Oversight Body for having personally committed one of the offences under the Decree;



- ✓ a conviction with final judgement condemning one of the members of the Oversight Body to a permanent or temporary disqualification penalty from public offices, or temporary disqualification from the management offices of legal persons and companies;
- ✓ breach of the duty of confidentiality relating to the identity of the business functions that report significant unlawful conduct pursuant to Legislative Decree 231/2001 or violations of the Model;
- ✓ if one of the members of the Oversight Body has an employment relationship with the Company, the occurrence of causes of termination of employment.

When the powers of a member of the Oversight Body are revoked, the Board of Directors shall appoint a new member to replace the removed member.

In case of a conviction, the Board of Directors – pending the final judgment – may order the suspension of the powers of the Oversight Body and proceed to appoint an Oversight Body *ad interim*.

Resignation on the part of the members of the Oversight Body may be exercised at any time and be promptly notified to the Board of Directors in writing, stating the reasons therefor.

In the event that any member of the Oversight Body should waive his/her assignment while in office, the Board of Directors shall appoint a new member.

4.3 FUNCTIONS AND POWERS OF OVERSIGHT BODY

The Oversight Body is vested with such powers to act on its own initiative and conduct monitoring as required to ensure the effective and efficient operation of Model 231 and the compliance therewith, pursuant to the provisions of Article 6 of Legislative Decree 231/2001.

In particular, the Oversight Body shall:

- ✓ verify the adequacy and effectiveness of Model 231 – that is, the ability of the Model to prevent the perpetration of predicate offences –, in relation, for example, to the size and organizational and operational complexity of the Company;
- ✓ ensure that the requirements of Model 231 are met by the Recipients, reporting any breaches and recommending corrective actions and/or penalties to the relevant corporate bodies;
- ✓ verify the updating of Model 231, should the need arise in relation to changes in corporate organization or law, recommending any changes to the Board of Directors and controlling the implementation thereof.

In order to perform its functions, the Oversight Body is granted the following powers:

- ✓ to access all the organization facilities of the Company and any corporate documentation relevant to the purpose of verifying the adequacy of, and compliance with the Model;
- ✓ to request any information relevant to the purpose of verifying the adequacy and effectiveness of the Model from the business functions concerned – in particular, those operating in business areas exposed to the potential risk of committing offences;



- ✓ to carry out periodic sample checks targeted at specific activities and operations at risk and the observance of such control measures as adopted and referred to in the Model;
- ✓ to agree with the business function concerned on proper corrective actions, if a critical condition should be shown following verification;
- ✓ to periodically inform the Board of Directors of any breaches of Model 231 or of such control measures as referred to in Model 231 or of any shortcomings detected during inspections, so that the necessary corrective actions can be implemented;
- ✓ to update the Board of Directors about any changes in regulations and legislation relevant to the purpose of implementing Model 231;
- ✓ to promote the updating of risk mapping whenever significant changes in the organization occur or Legislative Decree 231/2001 is amended to include additional types of offences to be taken into consideration;
- ✓ to assess the adequacy of the control measures in force and draw up any proposals for adjustment and improvement, verifying the implementation thereof afterwards;
- ✓ to monitor and promote information and education projects aimed at disseminating knowledge and understanding of Model 231 within the Company;
- ✓ to receive detailed reports on cases of unlawful conduct under Legislative Decree 231/2001, based on concordant factual evidence of specific occurrences, or cases of violation of the Model, securing the confidentiality of the identity of the reporting person;
- ✓ to investigate alleged breaches of the provisions of Model 231 following the receipt of any reports;
- ✓ to check that the penalties for breaches of Model 231, as provided for by internal regulations, are applied in a consistent manner, subject to the fact that the responsibility for the imposition of penalties lies with the company bodies.

The Oversight Body may collect and process all the information, data, documents and correspondence that are relevant to the work done in the individual business areas and are deemed necessary for the performance of its tasks, in compliance with current regulations concerning the processing of personal data.

The Oversight Body shall draw up and keep reports on each activity thus performed as well as all the documents thus produced.

The definition of the aspects pertaining to the manner in which the Oversight Body shall carry out its assignment, such as the scheduling of activities, the drafting of the minutes of meetings and the management of the information flows on the part of the business functions concerned is under the responsibility of the Oversight Body, who will regulate its internal functioning by issuing a specific set of regulations.

4.4 INFORMATION FLOWS TOWARDS OVERSIGHT BODY

4.4.1 Whistleblowing Obligations

All the business functions shall report to the Oversight Body any relevant unlawful conduct pursuant to Legislative Decree 231/2001 and any breaches of the Model of which they have become aware in the performance of their duties (whistleblowing).

However, every person operating on behalf of the Company shall also forward to the Oversight Body any and all information relating to events that could result in breaches of the Model, of such prevention measures as referred to therein and of the Code of Ethics in relation to the offences under Legislative Decree 231/2001.



The reports of significant offences under Model 231 and breaches of the Model shall be detailed and based on precise, consistent factual elements.

The Oversight Body may also take account of anonymous reports, in case these are adequately detailed – that is, if they are able to identify facts and situations relating them to specific contexts.

Reports based on mere rumours or suspicions will not be considered.

The Company will make two alternative reporting channels available to the Recipients:

- the e-mail channel: odv231@litalianaaromi.it
- the mail channel: L'ITALIANA AROMI s.r.l., Oversight Body, via Lombardia, 24, 20841 Carate Brianza (MB) - Italy.

If the subject of the report concerns one of the members of the Oversight Body, the report will be addressed through the paper forms to L'ITALIANA AROMI s.r.l., Board of Directors, via Lombardia, 24, 20841 Carate Brianza (MB) – Italy.

If at the end of the internal assessment carried out by the Oversight Body or at the end of criminal, civil or administrative proceedings, the report proves groundless and it is also clear that the report was made with intention or serious negligence, the whistleblower will be punished, following disciplinary proceedings, as stated in the next chapter.

4.4.2 Whistleblower Protection

Under Article 6, paragraph 2-bis of Legislative Decree 231/2001, all the business functions and all those working for the Company are required to ensure the confidentiality of the identity of the business functions reporting significant unlawful conduct pursuant to Legislative Decree 231/2001 or breaches of the Model.

The confidentiality of the identity of the whistleblower shall be ensured throughout the stages of whistleblowing management, in order to avoid acts of retaliation or discrimination – whether direct or indirect – against the reporting person for reasons connected – directly or indirectly – with the report.

In compliance with the duty of confidentiality, the information acquired by the Oversight Body will be handled in such a way as to guarantee the following:

- ✓ respect for the confidentiality of the identity of the whistleblower and of the report made;
- ✓ the non-occurrence of acts of retaliation, penalization or discrimination against whistleblowers;
- ✓ protection of the rights of the subjects in relation to whom reports have been made.

All information, notifications or reports are kept by the Oversight Body in a strictly confidential archive.

If, in the context of a disciplinary procedure, the dispute is founded, in whole or in part, on the report and the knowledge of the identity of the whistleblower is indispensable for the defence of the accused person,



the report may be used for the purposes of the disciplinary procedure only after the consent of the whistleblower to the disclosure of his/her identity.

The person in charge of the disciplinary procedure shall observe the same duties of conduct, aimed at protecting the privacy of the whistleblower, to which the members of the Oversight Body are bound.

It is strictly forbidden for any business function, of any level and position, to engage in acts of retaliation or discrimination – whether direct or indirect – against another business function that has reported significant unlawful conduct pursuant to Legislative Decree 231/2001 or breaches of the Model, for reasons connected – directly or indirectly – with whistleblowing.

Therefore, the retaliatory or discriminatory dismissal of the whistleblower and the change of duties pursuant to Article 2103 of the Italian Civil Code as well as any other retaliatory or discriminatory measure adopted against the whistleblower shall be deemed to be null and void of any legal effect.

Any business function that undertakes retaliatory or discriminatory actions against the whistleblower or, however, violates the duty of confidentiality and the measures to protect the identity of the whistleblower is grounds for disciplinary action and is therefore punishable as stated in the next chapter.

Any business functions that suffer retaliatory or discriminatory measures as a result of reporting predicate offences or breaches of the Model may report these measures to the National Labour Inspectorate, either personally or through such trade unions as suggested by such business functions.

The Oversight Body will evaluate the reports with discretion and responsibility, processing the data and documents that are the subject of whistleblowing in compliance with the legislation on the protection of personal data.

To that end, the Oversight Body may choose to interview the whistleblower or the alleged perpetrator of the alleged violation and carry out appropriate investigations.

Violation of the duty of confidentiality and of measures to protect the identity of the whistleblower is just cause for the withdrawal of the members of the Oversight Body.

4.4.3 Information Obligations

In addition to the above reports and to the provisions of the individual sections of the Special Parts, the information deemed useful to facilitate the activity of monitoring the suitability and effectiveness of the Code of Ethics, Model 231 and such prevention measures as referred to therein shall be forwarded to the Oversight Body.

The information that shall be sent to the Oversight Body is specifically detailed in the procedure “Information Flows Towards Oversight Body” as well as in the individual sections of the Special Parts of this Model.

The main types of information that shall be forwarded to the Oversight Body include the following:

- ✓ the anomalies or inconsistencies found in the performance of work activities, with reference to the risk areas identified in the Model;
- ✓ the violation of the prevention measures adopted by the Company;
- ✓ the provisions or notifications coming from criminal police bodies or any other authority, from which it is possible to infer the carrying out of investigations or criminal proceedings – for example, against

unknown persons – for such offences as referred to in Legislative Decree 231/2001 concerning the Company and the recipients of the Model;

- ✓ the outcome of the judicial investigations relating to significant offences pursuant to the Decree;
- ✓ information relating to visits, inspections and investigations initiated by the competent Administrations;
- ✓ the disciplinary proceedings carried out, any penalties imposed or the filing measures of such proceedings with the related reasons, if they fall within the scope of application of the Decree;
- ✓ lack of cooperation on the part of the business functions;
- ✓ changes in the composition of the corporate bodies and the corporate organizational structure;
- ✓ any information deemed useful and appropriate for the performance of the functions of the Oversight Body.

4.5 REPORTING OF OVERSIGHT BODY TO OTHER CORPORATE BODIES

The Oversight Body reports directly to the Board of Directors, in order to enjoy full autonomy and independence in performing its functions.

In particular, the Oversight Body shall forward the following documentation to the Board of Directors:

- at least on an annual basis, an information report, regarding the work done;
- in cases of proven breaches of the Model, with alleged commission of offences, a communication regarding any matter falling under the competence of the Oversight Body.

However, the Oversight Body may request to be heard by the Board of Directors, in the event that the Oversight Body should deem it necessary.

On its part, the Board of Directors may call the Oversight Body, in the event that the Board of Directors should deem it necessary.

The following aspects are emphasized within periodical reporting:

- the checks and inspections carried out by the Oversight Body and the outcome thereof;
- any critical issues that may have arisen;
- the progress status of any actions taken to revise and improve the Model;
- any changes in legislation or corporate structure that require updating the risk identification section of, or changes in, the Model;
- any disciplinary measures imposed by competent authorities as a consequence of breaches of the Model;
- any reports received from internal or external subjects during the period concerning alleged breaches of Model 231 or the Code of Ethics;
- other information deemed relevant.

Meetings with the corporate bodies to which the Oversight Body reports shall be documented. The Oversight Body is entrusted with the filing of the related documentation.

Apart from the relations with the Board of Directors, following communications received from the Oversight Body, the business functions concerned shall take action to deal with the reported critical issues, modifying or updating the relevant parts of the Model, if need be. The business functions involved shall then promptly inform the Oversight Body of the solutions thus implemented.

5. DISCIPLINARY AND PENALTY SYSTEM

5.1 GENERAL PRINCIPLES

Under Article 6, paragraph 2, letter e) and Article 7, paragraph 4, letter b) of Legislative Decree 231/2001, the Model may be deemed to be effectively implemented provided that it punishes noncompliance with the rules and requirements set out therein, or arising therefrom.

Since the Model and the Code of Ethics – including such prevention measures as referred therein – introduced binding rules for the Recipients, any breaches thereof will be punished regardless of the actual commission of an offence or the liability to punishment of same, or the assessment of any damage. In other words, the application of the disciplinary system and the related penalties is independent of the initiation or outcome of any criminal proceedings or any concomitant action for damages.

The Oversight Body shall monitor the adequacy of the disciplinary system.

5.2 BREACHES OF MODEL AND CODE OF ETHICS

The typical breaches that constitute disciplinary offences and are subject to disciplinary measures include the following:

- commission of offences pursuant to Legislative Decree 231/2001;
- failure to observe the provisions of the Model, the Code of Ethics and such prevention measures as referred to in the Model;
- violation or evasion of the control system laid down in the Model, by removing, destroying or tampering with the documentation, or interfering with control and inspection activities and/or denying access to information and documentation on the part of the control bodies, including the Oversight Body;
- missing or untruthful documentation, failure to keep the relevant documentation in a suitable manner and to control the business operations relating to sensitive areas;
- failure to comply with the duty of confidentiality and the measures to protect the identity of the business functions reporting predicate offences or breaches of the Model;
- retaliatory or discriminatory actions, including, but not limited to, retaliatory or discriminatory dismissal or changes of duties, against any business functions reporting predicate offences or breaches of the Model;
- reports proving groundless and made with intention or serious negligence at the end of internal assessments carried out by the Oversight Body or at the end of criminal, civil or administrative proceedings.

Disciplinary offences are subject to such penalties as specified in the sections below.



The type and extent of each penalty will be proportionate to the seriousness of the deficiencies.

In particular, the following will be considered:

- circumstances in which the action or omission came into being and was completed;
- the subjective element of the conduct (intent or gross negligence);
- relevance of the obligations breached;
- potentiality of the damage caused to the Company and the possible application of such penalties as provided for by Legislative Decree 231/2001;
- the level of hierarchical or technical responsibility of the perpetrator;
- presence of aggravating or mitigating circumstances, with particular regard to the previous work performed by the Recipient of the Model and to the previous disciplinary measures;
- any contributory liability on the part of other business functions or, generally speaking, of third parties who contributed to the breach.

5.3 MEASURES AGAINST EMPLOYEES

The Model and the Code of Ethics express the power of the Employer to set out regulations pertaining to how its employees go about their work and how their work is regulated (Article 2104 of the Italian Civil Code). Therefore, failure on the part of the employees of the Company and, subject to the peculiarities of the respective cases, on the part of any temporary and posted workers, to comply with the Model and the Code of Ethics constitutes nonfulfillment of the obligations arising from the employment relationship, and thus a disciplinary offence (Article 2106 of the Italian Civil Code).

As such, the violation of the Model and the Code of Ethics may result in such consequences as laid down in current regulations, the National Collective Bargaining Agreement and the Company Rules – that is, the application of disciplinary measures, and liability for damages.

As for employees, the disciplinary system provided for by the Legislative Decree matches the disciplinary system applicable by virtue of the employment agreement and the Company Rules, and the applicable penalties fall within the penalties laid down in current regulations, the National Collective Bargaining Agreement – that is, in this specific instance, the National Collective Bargaining Agreement of the chemical sector, where the following measures apply:

- verbal warning;
- written warning;
- fine;
- suspension;
- dismissal.

Such penalties are imposed in accordance with applicable labour laws and the Company Rules.

Any disciplinary action against the employees of the Company will be taken, pursuant to Legislative Decree 231/2001, by such business functions as vested with the necessary powers.



In particular, under Article 7, paragraph 1, of the "*Workers' Statute*", the Company will disseminate this Model and the Code of Ethics as stated in section 3.1.5 – for example, to supplement the Company Rules, according to the methods that are most suitable to reach all the Recipients.

5.4 MEASURES AGAINST DIRECTORS

The Company rigorously evaluates breaches of this Model committed by members of the management. The forging and consolidation of a company ethic which is sensitive to fairness and transparency presupposes, above all, that such values be acquired and adhered to by those who guide Company decisions, so that the said individuals provide an example and inspiration for all those who work for the Company at any level.

In case of breaches of the Organization and Management Model and the Code of Ethics on the part of the Directors, the Oversight Body will inform the Shareholders' Meeting thereof, so that proper protection measures can be taken.

5.5 MEASURES AGAINST SOLE STATUTORY AUDITOR

In case of breaches of the Organization Model, the Code of Ethics or the prevention measures of L'ITALIANA AROMI s.r.l. on the part of the Sole Statutory Auditor, the Oversight Body will inform the Board of Directors, which will take the most appropriate measures.

However, the Company may recommend compensation actions against the Sole Statutory Auditor.

5.6 MEASURES AGAINST THIRD PARTIES (SUPPLIERS, COMMERCIAL PARTNERS, CONSULTANTS, SELF-EMPLOYED WORKERS)

All the agreements with third parties who work on behalf of the Company, including supply and consultancy agreements, contain specific clauses according to which contracting parties undertake to respect the principles of the Code of Ethics of L'ITALIANA AROMI s.r.l..

However, the Company may recommend compensation actions against any contracting parties.

5.7 MEASURES AGAINST OVERSIGHT BODY

In case of breaches of the Organization Model, the Code of Ethics or the prevention measures of L'ITALIANA AROMI s.r.l. on the part of the Oversight Body, the Board of Directors will take proper measures, including the revocation of the assignment to the Oversight Body and the appointment of a new Oversight Body.



5.8 COMPENSATION FOR DAMAGE

Failure to fulfil such obligations as contained in this Model constitutes a breach of contract or an act of noncontractual negligence.

Therefore, in the event that a predicate offence should be committed by one of the Recipients of the Model, the Company may claim for damages.