

# Organization, Management and Control Model pursuant to Decree 231/2001

- General Section -



From the plant to the cup, Massimo Zanetti Beverage Group is the  
Italian ambassador of coffee culture worldwide.

*Massimo Zanetti*

MASSIMO ZANETTI  
BEVERAGE GROUP

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# 1 THE ADMINISTRATIVE LIABILITY OF THE COMPANIES

## 1.1 Decree 231

In the wake of various International Conventions<sup>1</sup> - Legislative Decree no. 231 of 8 June 2001 "*Rules governing the administrative liability of legal persons, companies and associations, including those without legal personality pursuant to article 11 of Law no. 300 of 29 September 2000*" (*Disciplina della responsabilità amministrativa delle persone giuridiche, delle società e delle associazioni anche prive di personalità giuridica, a norma dell'art. 11 della legge 29 settembre 2000, n. 300*) (hereinafter also referred to as "**Decree**" or "**Decree 231**") introduced the rules on the administrative liability<sup>2</sup> of legal persons who commit (or attempt to commit) specific crimes or administrative crimes, that are in addition to the criminal law applicable to the individual who commits the crime.

According to such rules, companies may be liable, and consequently punished, for certain crimes or administrative crimes that are committed (or attempted) for the economic interest or the benefit of the company:

- by natural persons holding representative, administrative or management functions at the companies or at one of their organizational units with financial and functional autonomy and by natural persons responsible for, including in a *de facto* capacity, management and control of the same (e.g., directors, general managers, managers, in other words the top managers (so called "*apicali*");
- by natural persons subject to the management or supervision of one of the persons indicated above (namely, employees).

The penalties may range from fines and/or disqualification measures up to the prohibition from operating business activities. The company's liability is additional to that of the natural person who has committed the crime.

The company's liability may be exempt and/or limited if the company can prove that it has adopted and efficiently implemented, prior to the commission or attempted commission of the crime, organizational, management and control models aimed at preventing the commission of the types of crime in question.

## 1.2 Interest or Benefit

The liability regime laid down in the Decree 231 applies in cases of a crime committed in the interest of or for the benefit of the company. In particular:

- THE INTEREST should be ascertained beforehand and includes any conduct aimed at providing a benefit to the company, not necessarily economic;
- THE BENEFIT should be evaluated ex post and makes the company liable for any crime which, even if caused by personal motivations of the perpetrator, are in any case to the benefit of the company.

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<sup>1</sup> Brussels Convention of 26 July 1995 on the Protection of the European Communities' Financial Interests, Brussels Convention of 26 May 1997 on the fight against corruption involving officials of the European Communities or officials of Member States of the European Union and the OECD Convention of 17 December 1997 on combating bribery of foreign public officials in international business transactions.

<sup>2</sup> Although this liability is defined as an administrative liability, it is very similar to the criminal liability both because the crime is ascertained through a criminal proceeding and because it is independent from the liability of the natural person who committed the crime and it is added to the liability of the latter; the company may indeed be liable for a crime even if the natural person who committed the crime cannot be charged for the crime or has not been identified or if the crime is extinguished for a reason other than amnesty. The administrative penalties that may be applied against the company include fines, restrictive orders, seizure or publication of the judgement.

### 1.3 Types of Crimes

The categories of crimes that may imply the administrative liability of a company are set forth in the following articles of the Decree 231 and of Law 146/2006<sup>3</sup>:

CRIMES	ARTICLE DECREE 231 - LAW 146/2006
<i>Indebita percezione di erogazioni, truffa in danno dello Stato o di un ente pubblico o dell'Unione Europea o per il conseguimento di erogazioni pubbliche, frode informatica in danno dello Stato o di un ente pubblico e frode nelle pubbliche forniture</i> (Misappropriation of funding, fraud against the State or a public body or the European Union to obtain public funding or IT fraud against the State or against a public body and fraud in public procurement)	Article 24 of Decree 231
<i>Delitti informatici e trattamento illecito di dati</i> (IT- related crimes and unlawful processing of data)	Article 24-bis of Decree 231
<i>Delitti di criminalità organizzata</i> (Crimes committed by criminal organisations)	Article 24-ter of Decree 231
<i>Peculato, concussione, induzione indebita a dare o promettere utilità, corruzione e abuso d'ufficio</i> (Embezzlement, graft, undue inducement to give or promise an advantage, bribery and abuse of office)	Article 25 of Decree 231
<i>Falsità in monete, in carte di pubblico credito, in valori di bollo e in strumenti o segni di riconoscimento</i> (Forgery of money, money values having legal tender or revenue stamps and instruments or identification signs)	Article 25-bis of Decree 231
<i>Delitti contro l'industria e il commercio</i> (Offenses against the industry and commerce)	Article 25-bis.1 of Decree 231
<i>Reati societari, corruzione tra privati e istigazione alla corruzione tra privati</i> (Corporate crimes, bribery between private persons and instigation of bribery between private persons)	Article 25-ter of Decree 231
<i>Reati con finalità di terrorismo o di eversione dell'ordine democratico previsti dal codice penale e dalle leggi speciali</i> (Crimes committed for purposes of terrorism or crimes designed to subvert democracy as contemplated by the criminal code and by special laws)	Article 25-quater of Decree 231
<i>Pratiche di mutilazione degli organi genitali femminili</i> (Crimes of female genital mutilation)	Article 25-quater.1 of Decree 231
<i>Delitti contro la personalità individuale</i> (Crimes against the individual freedoms)	Article 25-quinquies of Decree 231
<i>Reati di abuso di mercato</i> (Crimes of market abuse)	Article 25-sexies of Decree 231
<i>Omicidio colposo e lesioni colpose gravi o gravissime, commessi con violazione delle norme antinfortunistiche e sulla tutela della sicurezza e salute sul lavoro</i> (Manslaughter or serious bodily harm committed with breach of worker's health and safety regulations and laws)	Article 25-septies of Decree 231
<i>Ricettazione, riciclaggio, impiego di denaro, beni o utilità di provenienza illecita e auto-riciclaggio</i> (Handling stolen goods, laundering and use of money, assets or benefits whose origin is illegal and self-laundering)	Article 25-octies of Decree 231
<i>Delitti in materia di violazione del diritto d'autore</i> (Crimes related to infringement of copyright)	Article 25-novies of Decree 231
<i>Induzione a non rendere dichiarazioni o a rendere dichiarazioni mendaci all'autorità giudiziaria</i> (Inducements not to make statements or to make false statements to the courts)	Article 25-decies of Decree 231
<i>Reati ambientali</i> (Environmental crimes)	Article 25-undecies of Decree 231

<sup>3</sup> Also (i) crimes listed under article 12 Law 9/2013 (for the entities operating in the field of the virgin olive oils) and (ii) the crime set forth under article 11 of the Law Decree 11 September 2019, no. 105 "Disposizioni urgenti in materia di perimetro di sicurezza nazionale cibernetica" (Urgent provisions on the perimeter of cyber national security) on 5G technology represent underlying crimes for the purposes of the companies' administrative liability.

<i>Impiego di cittadini di paesi terzi il cui soggiorno è irregolare</i> (Employment of undocumented immigrants)	Article 25-duodecies of Decree 231
<i>Razzismo e Xenofobia</i> (Racism and xenophobia)	Article 25-terdecies of Decree 231
<i>Reati di frode in competizioni sportive e di esercizio abusivo di attività di giuoco o di scommesse</i> (Crimes of fraud in sports competition and unauthorized practice of gaming and betting activities)	Article 25-quaterdecies of Decree 231
<i>Reati tributari</i> (Tax crimes)	Article 25-quinquiesdecies of Decree 231
<i>Reati transnazionali</i> (Transnational crimes)	Law 146/2006
<i>Contrabbando</i> (Contraband)	Article 25-sexiesdecies of Decree 231

## 1.4 Crimes Committed Abroad

Companies whose head office is in Italy are also liable for crimes committed abroad, if:

- the crime is not prosecuted by the country where the offense was committed;
- the general conditions established in article 7, 8, 9 and 10 of the Italian Criminal Code apply so that the citizen and foreigner may be punished according to Italian law for crimes committed abroad;
- where the law provides that the guilty party is punishable subject to a request being made by the Minister of Justice, such request shall also be made against the company.

## 1.5 Penalties

The penalties applicable to a company for committing or attempting to commit the above crimes are as follows:

- **FINES** of up to € 1,549,370.69, based on a system of quotas<sup>4</sup>;
- **DISQUALIFICATION MEASURES** (that may also be applied as a precautionary measure, for more details see the paragraph below):
  - ban on conduction the business activity;
  - suspension or withdrawal of authorisations, licences or permits enabling the commission of the crime;
  - ban on contracting with the public administration;
  - exclusion from concessions, loans, grants and subsidies and possible revocation of those already granted;
  - band on advertising goods and services;
- **SEIZURE** of the price and/or profits from the crime or of an equivalent value;
- **PUBLICATION OF THE DECISION.**

## 1.6 Precautionary Measures

In case of serious circumstantial evidence that the company is liable for one of the crimes set forth in the Decree 231, during the investigation, the following may be applied as a precautionary measure:

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<sup>4</sup> Fines are applied based on the economic and financial condition of the company and are based on a system of quotas. The amount of one quota ranges from no less than Euro 258.00 to a maximum amount of Euro € 1,549.00. The fines applied may be up to one thousand quotas, namely up to € 1,549,370.69.

- restrictive measures set forth by the above paragraph;
- prior attachment of the price and/or profits obtained from the crime or of an equivalent value.

## 1.7 Exemption from Administrative Liability

Decree 231 sets forth the exemption from the administrative liability of the company.

If the crime is committed by the top managers (so called "*apicali*")<sup>5</sup>, the company is not liable if it proves that:

- before the crime was committed the management body had adopted and effectively implemented appropriate organization and management models for preventing crimes of the sort that occurred;
- the task of monitoring the functioning and compliance of the models and their update was assigned to a corporate body with independent powers of initiative and control;
- the perpetrators committed the crime by fraudulently circumventing the Organizational and Management Model;
- there was no omission or insufficient control by the (above) supervisory board.

If the crime is committed by persons under the direction and supervision of one of the top managers (so called "*apicali*") mentioned above, the company is liable if perpetration of the crime was made possible due to the failure to observe the obligation of direction and supervision. However, the failure to observe said obligations is excluded and likewise the entity's liability if, prior to perpetration of the crime, the entity had adopted and effectively implemented an appropriate Organizational Model for preventing crimes of the sort that occurred.

## 2 THE ORGANIZATIONAL MODEL - MASSIMO ZANETTI BEVERAGE GROUP S.P.A.

### 2.1 Company Profile

MASSIMO ZANETTI BEVERAGE GROUP S.P.A. (hereinafter "**MZBG**" or the "**Company**") is the holding of MASSIMO ZANETTI BEVERAGE Group ("**MZB**" or the "**Group**") and outlines the medium-long term strategies of the group companies in terms of (i) economic-financial results, (ii) industrial and investment objectives and coordinates the sales and marketing policies. Through its subsidiaries, MZBG supervises the complete roasted coffee value chain, which starts with the procurement of raw materials and roasting, and then continues with product packaging, logistics and marketing, according to an organizational model whose guidelines are defined by MZBG.



The MZB Group operates in more than 30 countries all over the world<sup>6</sup>.

As the parent company, MZBG is responsible for the management and coordination of the group companies as set forth by article 2497 and following of the Italian Civil Code on Italian companies belonging to the Group controlling the same.

<sup>5</sup> "*Apicali*" means natural persons holding representative, administrative or management functions at the companies or at one of their organizational units with financial and functional autonomy and natural persons responsible for, including in a *de facto* capacity, management and control of the same (e.g., directors, general managers, managers, in other words the so-called "top managers").

<sup>6</sup> The organisation chart of the Group may be viewed on the website [www.mzb-group.com](http://www.mzb-group.com) in the section IR/Corporate Governance.

MZBG is a company with shares listed in the STAR segment of the MTA market – *Mercato Telematico Azionario* organised and managed by Borsa Italiana S.p.A. as from 3 June 2015, when it became a listed company pursuant to article 119 of Legislative Decree no. 58 dated 24 February 1998 ("TUF").

## 2.2 Purposes of the Company and of the Organizational Model

In order to ensure the correctness, efficiency and transparency of its business conduct and corporate activities, and safeguard the Company's position and image and the expectations of the "stakeholders", after verifying that the principles governing conduct, the organizational structure and the procedures previously adopted comply with the purposes set forth by Decree 231 - the Board of Directors of the Company introduced and put into place a company Organization, Management and Control Model (hereinafter the "**Model**" or "**Organizational Model**") and appointed a Supervisory Board pursuant to Decree 231, with the task of ensuring the compliance, implementation and updating of the Model.

The Model will help raise awareness and act as a guideline for all those who work for and on behalf of the Company, to ensure that in performing their duties their conduct is appropriate and transparent at all times, in order to prevent the risk of committing any of the crimes set forth by Decree 231.

The principles of the Model aim at: a) making the potential perpetrator of a crime, fully aware that he or she is indeed committing a crime and b) allowing the Company to prevent or take prompt action to prevent crimes, by monitoring activities constantly.

## 2.3 Description of the Model

This document describes the Organizational Model introduced by MZBG and the methodological approach applied to implement the same, and is structured as follows:

- GENERAL SECTION, containing the principles of Decree 231, the methodological approach, the function of the Model and, in general, the principles, the logic and structure of the same, the Company's corporate governance and the general supervisory principles, functions and powers of the Supervisory Body including the disciplinary system.
- SPECIAL SECTION, divided into "dedicated" SECTIONS containing:
  - the categories of crime set forth by Decree 231 that may potentially be committed by the Company;
  - for each "category" of crime (subdivided into SECTIONS):
    - the relevant crimes;
    - the specific company activities that are considered to be sensitive or "at risk";
    - the general principles governing conduct (DO'S & DON'T S);
    - the specific safeguards ("prevention" and control procedures and systems);
  - the list of relevant crimes with a brief description, in a specific annex.

The Model is made by the following documents, which are available in an updated version both in English and Italian at the following website [www.mzb-group.com](http://www.mzb-group.com), under the section IR/Corporate Governance:

- the Code of Ethics
- the Market Abuse Procedure I - for the management and processing of inside information and the public disclosure of documents and information concerning Massimo Zanetti Beverage Group S.p.A. and its subsidiaries;
- the Market Abuse Procedure II - for drawing up, managing and updating the list of persons who have access to inside information;
- the Market Abuse Procedure III - on "Internal Dealing";
- the Market Abuse Procedure IV - on "Market Sounding";
- the Procedure governing transactions with related parties.

## 2.4 Recipients

The content of this **GENERAL SECTION** is binding for the following recipients (hereinafter, the "**Recipients**"):

- the members of the corporate boards, directors and managers of the Company;
- employees and anyone under the management or supervision of the Company's management;
- anyone who is under contract with another company of the Group, but substantially works in a prevalent or continuous manner in the name or on behalf of or in the interest of the Company.

Pursuant to specific contractual clauses, the following may also be considered as Recipients:

- collaborators, consultants and persons who work in the name or on behalf of or in the interest of the Company;
- suppliers, agents, distributors and business partners (including temporary associations of companies and joint-ventures) that work in a prevalent or continuous manner in the name or on behalf of or in the interest of the Company.

## 2.5 Implementation of the Model

The Model is a structured and organic system of principles, internal rules, operating procedures and control activities whose scope is to ensure that Company activities are performed in a diligent and transparent manner, in order to prevent the crimes and offences set forth by Decree 231.

### 2.5.1 Requirements set forth by Decree 231

In particular, pursuant to Decree 231, the Model must:

- identify the activities in which such crimes may potentially be committed;
- provide specific protocols to plan and implement the company's decisions relevant to the crimes that it intends to prevent;
- identify methods to manage financial resources adequate to prevent the commission of such crimes;
- provide information obligation to the body that supervises the functioning and compliance of the models;
- introduce a disciplinary system adequate to sanction any failure to comply with the measures set forth in the model;
- provide for the activation of a channel to report offences which ensures the confidentiality of the reporting person<sup>7</sup>.

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<sup>7</sup> Article 6 of Decree 231: "2-bis. *The models referred to by point a) of paragraph 1 provide: a) one or more channels that allow the persons indicated by article 5, paragraph 1, points a) and b), the possibility of submitting, in order to protect the integrity of the entity, detailed reports of misconduct, relevant for the purpose of this decree and based on accurate and consistent factual elements, or breach of the organisation and management model of the company, of which they may become aware by virtue of the functions they perform; these channels guarantee the confidentiality of the reporting person in the management of the report; b) at least one alternative whistleblowing channel that ensures, with the use of computerised procedures, the confidentiality of the reporting person; c) prohibition of any direct or indirect acts of retaliation or discrimination against the reporting persons for reasons directly or indirectly related to the report; d) within the scope of the disciplinary system adopted pursuant to paragraph 2, (e), the application of penalties against anyone who violate the measures that protect the reporting person, or anyone who presents a fraudulent or grossly negligent report that is proven to be unfounded. 2-ter. Adoption of any discriminatory measures against a reporting person who makes the reports indicated by paragraph 2-bis, may be reported to the Ispettorato Nazionale del Lavoro ("National Labour Inspectorate"), for the application of the measures within its remit, and by the reporting person, as well as by the trade union indicated by the same (reporting person). 2-quater. Dismissal for retaliatory or discriminatory purposes against the reporting person shall be considered as null and void. It is also null and void the change of the duties pursuant to section 2103 of the Italian Civil Code, and any other retaliatory or discriminatory measures adopted against the reporting person. In the case of any disagreement on the application of disciplinary measures, or demotion, dismissal, transfer or any other organisational measure that may be applied against the reporting person, which negatively affect its employment conditions, either directly or indirectly, after the employee has submitted a report, the employer is required to demonstrate that such measures are in no way related to the report submitted by the reporting person".*

## 2.5.2 Confindustria Guidelines

Article 6 paragraph 3 of Decree 231 expressly provides that the organizational models may be adopted according to a code of conduct drawn up by company trade associations.

The Confindustria Guidelines<sup>8</sup> for the preparation of organizational models, include the following project phases:

- risk mapping, namely an analysis of the company context to identify the areas of activity in which the crimes set forth by Decree 231 could potentially be committed and how they may be committed;
- the introduction of a control system (consisting of management and operational procedures and specific protocols) to prevent the crime risks identified by the above mapping, by evaluating the company's control system and how it needs to be corrected in order to ensure compliance with the requirements of Decree 231.

The control system to prevent intentional crimes shall include:

- the adoption of ethical principles outlined in a code of ethics or code of conduct;
- a sufficiently formalized and clear organizational system, above all as regards the allocation of responsibilities, reporting lines and description of duties, with the specific provision of control principles;
- information technology systems or manual and/or computerised procedures applicable to the activities performed, with appropriate control points;
- authorization and signing powers according to organizational and management responsibilities;
- communications to and training of personnel, that should be structured differently according to the Recipients;
- integrated control systems that take into account all the operational risks, above all those relating to the crimes that may be potentially committed pursuant to Decree 231, that provide prompt warning of the existence or onset of critical situations.

The control system to prevent negligent crimes (safety and environment) should include:

- the code of ethics or code of conduct that represents the company's workplace health and safety policy and environmental policy;
- the organizational structure which defines the tasks and responsibilities in accordance with the organizational and functional structure of the company, with a system of functions that ensures the appropriate technical skills and powers required to assess, manage and control risks to health and safety and the environment, in line with the nature and size of the company and the characteristics of its activities;
- training programmes and courses to ensure that members of staff, at all levels, are aware of the importance of ensuring that their actions comply with the Model, and the potential consequences of any conduct that does not comply with the principles set forth by the Model;
- operational management, namely the control system, must be integrated and consistent with the management of the company processes as a whole;
- monitoring system, the management of health, safety and environmental obligations should include planned and constant verification of the appropriateness of the measures adopted.

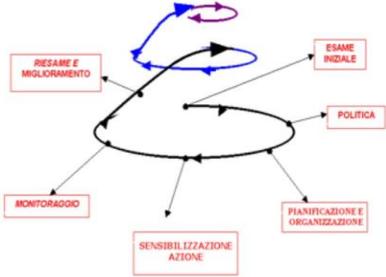
Finally, the Guidelines refer to a number of control principles, including:

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<sup>8</sup> The first edition is dated 7 March 2002 and was updated for the first time in 2008 and then again in 2014. The March 2014 version was approved on 21 July 2014.

- verifiability, traceability, consistency and congruity of each and every operation, transaction and action;
- application of the principle of separation of functions and tasks (no one may manage a complete process independently);
- introduction, execution and documentation of controls on the processes and activities subject to potential crimes.

The above may be summarized by the table hereunder<sup>9</sup>.

PREVENTION CONTROL SYSTEMS INTENTIONAL CRIMES	PREVENTION CONTROL SYSTEMS NEGLIGENT CRIMES (SAFETY AND ENVIRONMENT)	CONTROL PRINCIPLES
Code of Ethics or Code of Conduct	Code of Ethics or Code of Conduct	<p><i>"Each and every operation, transaction and action must be verifiable, documented, consistent and appropriate"</i></p> <p><i>"No one may independently manage a complete process"</i></p> <p><i>"Controls must be documented"</i></p> 
Sufficiently updated, formalized and clear organizational system	Organizational Structure	
Manual and computerised procedures (information technology systems)	Training and Courses	
Authorization and signing powers	Communications and involvement	
Communications to and training of personnel	Operational management	
Integrated Control Systems	Monitoring system	

## 2.6 Methodological Approach

The Company has defined the general principles, structure and sections of its Organizational Model, complying with the provisions of Decree 231, also taking into account best practices and the above-mentioned Confindustria Guidelines.

This Model was drawn up in the following steps:

- preliminary examination of the corporate environment in order to define the organization and the several activities performed by different Company departments, including the structure of the business processes and the implementation thereof;
- preliminary examination of the existing control and prevention instruments used to regulate corporate governance, such as the Company by-laws, the system of delegations and proxies, contracts, including intragroup agreements, and other organizational documents, procedures, etc.
- identification of the relevant crimes set forth by Decree 231 deemed to be applicable to the Company's activities;
- identification of the areas of activity and processes at "risk" or functional to the commissioning of crimes and

<sup>9</sup> Please note that the Guidelines are not mandatory and failure to comply with specific points thereof does not affect the validity of the Model. The Company implemented its Model 231 according to best practices and the Confindustria Guidelines, whose provisions - which are not mandatory and are necessarily general and standardized - have been taken into account, included or disregarded in order to prepare an efficient organizational model according to the company's structure, core business and the specific circumstances of MZBG.

the potential ways of implementing such crime<sup>10</sup>;

- recognition of the instruments used for the prevention and repression of the crimes set forth by Decree 231 – also called "monitoring tools";
- regulation on the methods to manage financial resources necessary to prevent crimes;
- designation of the body overseeing the actual application of the Model (Supervisory Board);
- provision of an adequate disciplinary system imposing sanctions on the non-compliance with the Code of Ethics and Model 231;
- enabling of a channel aimed at reporting violations /misconduct to the Supervisory Board.

## **2.7 The Governance and Organizational System**

As to the current Company By-laws, MZBG is organized accordingly with the traditional administrative, organizational and control model pursuant to article 2380-bis and following of the Italian Civil Code, with a Shareholders' Meeting, a Board of Directors and a Board of Statutory Auditors.

The corporate governance system of MZBG - structured in compliance with the Corporate Governance Code and laws for listed companies, according to the international best practices of corporate governance - is described in the Corporate Governance report published each year on the website [www.mzb-group.com](http://www.mzb-group.com), under the section IR/Corporate Governance.

The BOARD OF DIRECTORS of MZBG, is a 9-member board and plays a central role in the guidance and management of the Company and the Group. In addition to the duties of the board as set forth by the law and the By-laws, the Board of Directors has exclusive authority in connection with the most important decisions from an economic and strategic standpoint and in terms of structural incidence on management or functional to the exercise of monitoring and direction activities of the Company and the Group.

The provision of the By-laws governing the composition and appointment of the Board of Directors shall be as such to ensure compliance with the provision laid down in article 147-ter and the TUF (Consolidated Finance Act) and its implementing rules.

Within the Board of Directors, the APPOINTMENT AND REMUNERATION COMMITTEE and the CONTROL, RISKS AND SUSTAINABILITY COMMITTEE, have been established both with propositional and advisory functions as provided for by the Corporate Governance Code; the COMMITTEE FOR RELATED PARTY TRANSACTIONS has also been established<sup>11</sup>.

In compliance with the recommendations set forth by article 7.C.4 of the Corporate Governance Code, a DIRECTOR IN CHARGE OF THE INTERNAL CONTROL AND RISK MANAGEMENT SYSTEM has been appointed.

An independent director has also been appointed as LEAD INDEPENDENT DIRECTOR in compliance with the recommendations set forth by article 2.C.3 of the Corporate Governance Code.

The MANAGER IN CHARGE OF THE PREPARATION OF CORPORATE ACCOUNTING DOCUMENTS has been appointed in compliance with article 154-bis of the TUF and the requirements set forth by the By-laws.

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<sup>10</sup> In order to develop the risks map, we started from analysing the single crimes set forth by Decree 231, then considering the associated company processes/activities where the crime could be theoretically committed (the so-called "sensitive", "instrumental", "funding", or "risk" activities), also identifying the corporate functions involved, as well as the procedures and protocols to monitor the risk areas, as shown by the **RISK ASSESSMENT REPORT**, filed by the Company. Risk mapping requires continuous monitoring by the Management Body, in order to identify new sensitive areas. For more information, please read the "SPECIAL SECTION".

<sup>11</sup> The most recent version of the committee regulations is published on the website [www.mzb-group.com](http://www.mzb-group.com) under the IR/Corporate Governance/Procedure and Regulations section.

The Company has also acquired an INTERNAL AUDIT function in order to further monitor the functionality and efficiency of the internal control and risk management system, as a whole.

The "INVESTOR RELATOR" coordinates activities related to national and international external relations with institutions, authorities, third party bodies and individuals, including the press, the media, trade associations and the scientific community, and as well as managing and coordinating relations with the market, the financial community, shareholders and investors.

MANAGERS WITH STRATEGIC RESPONSIBILITIES have been appointed by the Board of Directors.

The BOARD OF STATUTORY AUDITORS has three standing auditors and two alternate auditors. The Board of Statutory Auditors supervises compliance with the law and By-laws, complying with the principles of sound administration and in particular with the adequacy of the administrative and accounting procedure adopted by the Company and its operation.

In accordance with article 13 of Legislative Decree 39 of 27 January 2010, the Ordinary Shareholders' Meeting of the Company on 31 March 2015 upon proposal of the Board of Statutory Auditors, resolved to entrust to the EXTERNAL AUDITOR PricewaterhouseCoopers S.p.A., which has its registered office at Via Monte Rosa 91, Milan and is listed under number 43 in the special register of External Auditors kept by the Ministry of Economy and Finance and in the register of Certified Auditors under registration number 119644, the auditing of statutory annual financial statements and of the Group Consolidated Financial Statements for the financial years closing from 31 December 2015 to 31 December 2023; the limited auditing of the semi-annual Consolidated Financial Statements for the same 9-year period, and overseeing the correct keeping of accounts and reporting of management activity in account entries during those financial years.

The SUPERVISORY BOARD has been appointed pursuant to Decree 231, which is in charge of monitoring in compliance with the Model and ensuring that it efficiently prevents the crimes set forth by Decree 231 (see below the functions and powers).

## **2.8 The Delegation and Powers System**

A system of external delegation powers and signing powers is operative, consistent with the responsibilities of each director or employee, with the indication of expenditure thresholds.

Substantially, the power delegation system:

- is formalized in compliance with applicable laws;
- clearly indicates the delegated persons, the required competencies of the recipients of the delegation and the powers assigned to the same;
- sets forth the limitations of the delegations and the powers of expenditure granted to the same;
- provides measures that permit controlling how the delegated powers are exercised;
- provides the application of penalties in case of infringement of the delegated powers;
- complies with the principle of the separation of powers;
- complies with the corporate regulations and other internal rules applied by the Company;
- in particular, as to workplace safety, the obligations set forth by Decree 81/2008 ("Safety Consolidating Act") are notified to employers, executive managers, supervisors and workers, and the necessary training is arranged to ensure that the duties assigned are performed correctly.

The relevant documents are managed, updated and filed by the Company.

## **2.9 MZBG's Control System**

### **2.9.1 Objectives**

The Board of Directors is responsible for the Internal Control System and ensures the implementation and functioning thereof in order to achieve the objectives identified as follows:

- OPERATIONAL OBJECTIVE, which refers to the effectiveness and efficiency of the Company in using resources, protecting against losses and the company assets;
- OBJECTIVE OF PROVIDING INFORMATION, which entails providing prompt and accurate communications in order to ensure a smooth decision-making process;
- COMPLIANCE OBJECTIVE, which ensures compliance with applicable laws and provisions when executing all the Company transactions and activities.

### **2.9.2 General Principles**

The corporate processes and activities comply with the general principles of the internal control and risk management system set forth as follows:

- SEPARATION OF DUTIES: the separation of the responsibilities of the persons who execute, control and authorize a transaction/operation must be guaranteed;
- REGULATIONS: formal rules or practices shall exist in order to provide rules of conduct and operating methods to perform corporate activities;
- AUTHORISATION AND SIGNING POWERS: rules to exercise internal authorization and signing powers, complying with the allocated organization and managerial responsibilities, shall be in place;
- TRACEABILITY: for each transaction the related supporting documentation is filed in order to reconstruct the sources, information and controls carried out in the decision-making processes of the Company, including the way financial resources are managed.

### **2.9.3 The Structure of the Prevention Control System**

The structure of the prevention control system implemented at corporate level to guarantee the efficiency of the Model, as set forth by Decree 231, includes the following:

- Code of Ethics
- Organizational System
- Management Control
- Manual or IT Operating Procedures and/or Protocols
- Training and Communications Plan
- IT System
- Supervisory Board
- Penalty System

THE CODE OF ETHICS has been drawn up to clearly establish the set of values, principles and general lines of conduct that should guide strategic thinking and conduct of all corporate activities of the Company and MZB Group. Such general rules of immediate understanding aim at preventing misconduct, while encouraging Recipients to comply with principles of legality and professional ethics and warning the same that any breach of such rules will be punished.

The ORGANIZATIONAL SYSTEM defines the corporate organization in terms of structure, roles, responsibilities, authorizations and signing powers and line controls, through company organizational charts, job

descriptions and the delegation of functions, organizational and service instructions.

MANAGEMENT CONTROL is carried out through the stages of preparation of the annual budget, analysis of periodic figures and preparation of the Company forecasts in order to process and transmit information and promptly report of the existence and onset of critical situations through an efficient information flow and reporting system.

The process of financial resources management is carried out according to tested operating practices that ensure the traceability of the payments' authorization process and the carried-out controls.

OPERATING PROCEDURES AND/OR PROTOCOLS are used to regulate how company processes are carried out and include the controls to be performed to ensure the accuracy, transparency and traceability of all corporate operations. If properly implemented, the procedures and protocols oversee activities that are identified as sensitive with respect to the crimes set forth by Decree 231 and are characterized by the following aspects:

- the greatest possible separation, in each process, between the person who makes decision, the person who authorizes the decision, the person who executes the same and the person who controls the process;
- traceability of each important step of the process, including control;
- adequate level of formalisation.

The TRAINING AND COMMUNICATIONS PLAN is used to communicate the rules and regulations of the Model to whoever bears a specific interest, in order to ensure that it is known and shared and to encourage compliance with all the rules thereof.

The IT SYSTEM provides appropriate security measures to protect corporate documents and information in order to prevent the risk of losing or altering corporate documents or data, and unauthorised access to the same.

The SUPERVISORY BOARD monitors the functioning of and compliance with the Model, ensuring that it is updated according to the Company's organizational changes and applicable laws and regulations.

The PENALTY SYSTEM defines the disciplinary measures and application of the same against the Recipients who are in breach of the rules set forth by the Code of Ethics or the Model.

#### **2.9.4 Management of Financial Resources**

Without prejudice to the provisions of the above paragraph 2.9.3, given that pursuant to article 6, (c) of Decree 231, one of the requirements with which the Model must comply is that of identifying how to manage appropriate financial resources to prevent crimes. The Company has introduced specific protocols setting forth the principles and conduct applicable to the management of such resources.

#### **2.10 Relationship between Organizational Model and Code of Ethics**

The principles and rules of conduct provided by this Model complement the provisions of the Company's Code of Ethics. It should however be noted that:

- the Code of Ethics is a tool introduced independently by the Company, which may therefore be applied in general terms by the same in order to define a number of ethical principles with which the Company identifies itself, and that it expects all its employees, and anyone who collaborates in any way to attain the corporate purpose, to comply with;
- the Model, on the other hand, reflects the specific provisions set forth by Decree 231, whose scope is to prevent a particular type of crime for which the Company may be liable.

The Code of Ethics refers to principles of conduct aimed at preventing serious unlawful conduct as set forth by Decree 231 and, therefore, formally constitutes a part of the Organizational Model of the Company adopted by the same.

## **2.11 Compliance within the Group**

### **2.11.1 The Italian Subsidiaries**

MZBG encourages the Italian Subsidiaries to adopt the organization, management and control model set forth by Decree 231, whose characteristics are similar to the model adopted by the Parent Company.

The management bodies of each company of the MZB Group is responsible for evaluating and if necessary adopting its own organization, management and control model and supervisory body, as set forth by article 6, paragraph 1 (b) of Decree 231.

### **2.11.2 The Foreign Subsidiaries**

MZBG requires its foreign subsidiaries to comply with the principles of the Code of Ethics and the internal control principles set forth by the same ("General Control Principles"), in compliance with applicable laws and regulations.

## **3 THE DISCIPLINARY SYSTEM**

### **3.1 Reference principles**

The introduction of a disciplinary system to punish anyone who fails to comply with the rules set forth by the Model (and, thus, the Code of Ethics and Company procedures which constitute an integral part thereof), is a required condition of Decree 231 to guarantee the effectiveness of the Model.

The Supervisory Board should be immediately informed of any case of breach of the above rules which, if ascertained, represents:

- in the case of employees and managers, breach of the contractual obligations relevant to the employment relationship, in line with the applicable National Labour Collective Bargaining Agreement (Food Industry);
- in the case of directors or members of the Board of Statutory Auditors, failure to comply with the duties applicable to the same by law and the By-laws;
- in the case of external collaborators, consultants, business partners, agents and suppliers, according to the provisions of specific contractual clauses included by the letter of appointment or contracts, termination of the contractual relationship, or the right to withdraw from the same, without prejudice to the right to claim any damages, if the Company incurs damages as a result of such conduct.

The disciplinary system described by this Model (**Disciplinary System 231**) complements - as regards the material aspects of Decree 231 - the more general disciplinary and penalty system relevant to the relationship between employer and employee, set forth by labour law. This Disciplinary System 231 complies with the following principles:

- the disciplinary measures must be applied regardless of whether criminal proceedings are filed or the results thereof; the rules set forth by the Model (and, thus by the Code of Ethics and company procedures that are intended as an integral part thereof) are binding upon Recipients and, pursuant to the provisions of Decree 231, any breach thereof shall be punished, regardless of whether or not a crime is committed

or a criminal proceeding filed as a result of such breach and/or the crime is punishable.

- given that the Company is aware of the fact that it is necessary to comply with the relevant applicable laws and regulations, the same ensures that the penalties applied pursuant to this disciplinary system comply with national collective bargaining agreements applicable to the industry which, in this case, is the National Collective Bargaining Agreement of the Food Industry; on a procedural level, the Company also ensures that the provisions of article 7 of Law 300 of 30 May 1970 (Workers' Statute) in the case of the challenge of the crimes, and the application of the relevant disciplinary measures;
- in compliance with the principle of *audi alteram partem*, the involvement of the interested party and its right to justify its conduct, are ensured;
- pursuant to Law no. 179/2017 on the so called "whistleblowing", the submission of unfounded reports with wilful misconduct or gross negligence or breach of the measures to protect the reporting person constitute a disciplinary offence (see § 4.3.3.3. on whistleblowing);
- the Company will make Recipients aware of the existence of Disciplinary System 231 relevant to breach of the Model, in any way that it considers to be appropriate.

### **3.2 Determination of Penalties**

The penalties applicable for failure to comply with the rules set forth by the Model (and, thus, by the Code of Ethics and Company procedures that are intended to be an integral part thereof) shall be PROGRESSIVE AND PROPORTIONAL with respect to the seriousness of the breach in question.

Determining the type and measure of the penalty differentiates a conduct that constitutes negligence in the implementation of the regulations of the Model - including company directives, procedures or instructions - from a conduct that constitutes serious fraudulent breach of the provisions of the Model, that may compromise the relationship of trust between the person who commits the crime and the Company, because such conduct is aimed solely at committing a crime, and should comply with and take into account the following:

- seriousness of the breach, gravity of the negligence, recklessness, inexperience and non-compliance with the regulations, taking into account the predictability of the event;
- seriousness of the dangers created;
- the intentionality of the conduct, the above intended also as a subjective aspect of such conduct (wilful misconduct or negligence, the latter resulting from recklessness, negligence or inexperience, also taking into account the predictability or otherwise of the event);
- the role in the Company/hierarchical-functional position of the person who commits the crime, taking into account specific legal and contractual regulations and provisions;
- the importance and possible consequences of the breach or the crime/extent of the damage created to the Company by the possible application of the penalties provided by Decree 231, if any;
- former disciplinary measures/presence of aggravating or mitigating circumstances with specific reference to former employment duties, to former disciplinary measures in the last two years;
- any specific circumstances *de facto* ascertained;
- any shared responsibility with other employees who contributed to causing the breach.

### **3.3 Penalties against Employees**

The conduct by an employee in breach of any rule of the Model (and, thus, the Code of Ethics and Company procedures that are intended as an integral part thereof), constitutes breach of the obligations of the employment relationship and is a disciplinary crime.

The penalties applicable to employees are those set forth by the Company disciplinary and/or penalty

systems set forth by the National Collective Bargaining Agreement, in compliance with the procedures provided by article 7 of the Workers' Statute and any other applicable special regulations.

The Company's disciplinary system is accordingly constituted by the applicable provisions of the Italian Civil Code and the regulations of the National Collective Bargaining Agreement. In particular, the disciplinary system describes the punishable conducts, depending on the significance of the incident in question and the penalties applicable to the same, taking into account the seriousness thereof.

As regards the above, Disciplinary System 231 set forth by this Model refers to the penalties and categories of punishable circumstances provided by the existing penalty system under the National Collective Bargaining Agreement, in order to attribute any breach of the Model to the cases already set forth by the above provisions.

In application of the provisions of the CCNL (National Collective Bargaining Agreement), the following penalties may be applied against employees:

1. Verbal Warning
2. Written Warning
3. Fine
4. Suspension
5. Dismissal

In particular, in line with the CCNL:

- A VERBAL WARNING will be issued against any employee who, with slight negligence, does not comply with any of the procedures or rules of conduct set forth by the Model or Code of Ethics and Company procedures that are intended as an integral part thereof, in the case of minor breach and provided the same does not have an impact outside the Company structure/organization (for example, conduct not complying with the Model or Code of Ethics and/or Company procedures when carrying out a sensitive activity and/or activity "at risk" or instructions provided by a senior manager).
- A WRITTEN WARNING will be issued against any employee who does not comply with any of the procedures or rules of conduct set forth by the Model or Code of Ethics and Company procedures that are intended as an integral part thereof, in the case of minor breach that is however more serious than a case of breach for which a verbal warning is issued, and provided that the same does not have an impact outside the Company structure/organization (for example negligent breach of the obligation of informing the Supervisory Board set forth by the Model, reiteration, more than twice, of a previous offence for which a verbal warning has been issued; minor breach of the duties set forth by the procedures of the Model or Code of Ethics or any conduct in breach of the provisions of the Model or Code of Ethics when carrying out a sensitive and/or "at risk" activity or instructions provided by a senior manager).
- A FINE corresponding to no more than three hours of salary and contingency allowance or SUSPENSION FROM WORK and suspension of the salary (as set forth by the National Collective Labour Agreement) against any employee who is in breach of one or more procedures or rules of conduct set forth by the Model or Code of Ethics or Company procedures that are intended as an integral part thereof, if such breach is not minor breach (for example reiteration more than twice of any breach for which a written warning was issued, offences, committed intentionally, that have an impact outside the Company structure and organization, breach - repeated or of a certain gravity - of the duties set forth by the procedures provided by the Model or Code of Ethics or any conduct in breach of the provisions of the Model or Code of Ethics when performing sensitive and/or "at risk" activities or instructions provided by a senior manager).

- Dismissal of any employee who violates any procedure or rule of conduct set forth by the Model or Code of Ethics or Company procedures that are intended as an integral part thereof, if such breach is serious enough to irreparably damage the relationship of trust, and prevents the continuation, temporary or otherwise, of the employer-employee relationship (by way of example, fraudulent avoidance of the provisions of the Model or Code of Ethics or Company procedures that are intended as an integral part thereof, effected through a behaviour unequivocally directed at committing any of the offences set forth by Decree 231; breach of the internal control system through the theft, destruction or alteration of documents or impeding the control of or access to information and documents by persons responsible for the supervision and control thereof).

### **3.4 Penalties against Senior Managers**

In the case of breach of one or more procedures or rules of conduct set forth by the Model (and, thus, the Code of Ethics and Company procedures that are intended as an integral part thereof) by a senior manager, the Company will apply any measures considered to be appropriate against the person in question, according to the importance and seriousness of such breach, taking into account the particular relationship of trust of the employment relationship between the Company and the senior manager, and in line with the provisions of the applicable CCNL for "*DIRIGENTI*" (senior managers) and any other applicable special laws.

Failure to exercise supervision by a senior manager on the correct application by workers who report to the same, of the rules set forth by the Model, are intended as a disciplinary offence.

In particular:

- a WRITTEN WARNING will be issued against any senior manager who is in breach of any procedure or rule of conduct set forth by the Model, and in the case of minor breach;
- any senior manager who is in serious breach of any procedure or rule of conduct set forth by the Model will be DISMISSED WITH PRIOR NOTICE;
- any senior manager in breach of any procedure or rule of conduct set forth by the Model in the case of breach serious enough to irreparably damage the relationship of trust, and prevent the continuation, temporary or otherwise, of the employer-employee relationship will be DISMISSED WITHOUT NOTICE.

If the breach committed by the senior manager constitutes a criminal offence, the Company reserves the right, at its discretion, to apply the following alternative provisional measures against the senior manager, pending the criminal proceedings:

- precautionary suspension of the senior manager with salary paid in full;
- allocation to a different position within the Company.

### **3.5 Measures against Directors and Members of the Board of Statutory Auditors**

In the case of breach of the provisions of the Model (and, thus, the Code of Ethics and Company procedures that are intended as an integral part thereof) by one or more directors, the Supervisory Board will immediately inform the full Board of Directors, to allow the same to take or suggest appropriate measures, according to the seriousness of the breach and in compliance with the powers set forth by applicable laws and the By-laws.

In particular, in the case of breach of the provisions of the Model by one or more directors, depending on the seriousness of the breach, the Board of Directors itself may issue an official written warning or revoke any part of the powers delegated and proxies granted to the director in question.

In the case of breach of the provisions of the Model, by one or more directors, effected through a behaviour unequivocally directed at committing any of the offences set forth by Decree 231 or instigating or helping others to commit such offences, the Shareholders' Meeting, at the proposal of the Board of Directors or Board of Statutory Auditors, will apply the most appropriate disciplinary measures.

In the case of breach of the provisions of the Model by a member of the Board of Statutory Auditors, the Supervisory Board shall immediately forward a written report thereof to the Chairman of the Board of Directors. In the case of breach which constitutes just cause for revocation, the Chairman of the Board of Directors will call a Shareholders' Meeting, after forwarding the report of the Supervisory Board to the body of shareholders. In the above cases of breach, the disciplinary measures will be decided and applied by the Shareholders' Meeting.

### **3.6 Measures against External Collaborators, Consultants, Business Partners, Agents and Suppliers**

Any conduct in breach of the guidelines of the Model by external collaborators, consultants, business partners, agents and suppliers that entails the risk of committing any of the offences set forth by Decree 231, or exposes the Company to the risk of the penalties set forth by Decree 231, may determine, pursuant to the applicable provisions of the contract clauses included in the letter of appointment or contract, termination of the contract, or the right to withdraw from the same, without prejudice to the right to claim damages, if the Company incurs damages as a result of such conduct.

## **4 THE SUPERVISORY BOARD**

Pursuant to article 6 of Decree 231 *"the task of supervising the functioning of and compliance with the models and updating of the same"* should be entrusted *"to a corporate board with independent powers of initiative and control"*<sup>12</sup>.

### **4.1 Appointment and Revocation**

The Supervisory Board (hereinafter also referred to as the "**SB**") is a staff function of the Board of Directors and is appointed pursuant to resolution of the Board of Directors. The appointment should specify the criteria adopted in terms of the identification, structure and typology of the board or the function invested with the role of SB, including the reasons for such choice and the designation of the members of the Supervisory Board who shall have the subjective requisites of integrity, professionalism and ethics.

The appointment shall include the term of office, which shall be for a period of three years.

The following will be grounds for ineligibility or disqualification:

- if the person in question holds, directly or indirectly, shares of the Company;
- if the person in question is a close family member of an executive director of the Company or any person who owns, directly or indirectly, shares or shareholdings in the Company;
- if the person in question has been declared legally incapacitated, disqualified or bankrupt;
- if the person in question has been convicted, or has accepted a plea bargain, pursuant to article 444 of the Italian Code of Criminal Procedure:
  - for situations relating to the discharge of professional duties;

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<sup>12</sup> It should be noted that notwithstanding the appointment of the Supervisory Board, the top management body of the company (i.e. the Board of Directors), in any case has all the powers and responsibilities set forth by the Italian Civil Code, including the responsibility for the introduction and efficiency of the Organizational Model, and the establishment of the Supervisory Board itself.

- for situations that significantly affect its professional ethics;
- for events that imply disqualification from public office and management roles of legal entities or enterprises, a profession or art, as well as the ban to contract with the Public Administration;
- for having committed any of the crimes set forth by Decree 231;
- if the person in question is prosecuted for any of the above situations or for an offence pursuant to Decree 231, from the time the criminal proceeding is notified pursuant to articles 405 and 415bis of the Italian Code of Criminal Procedure, and until a verdict that there is no case to answer is issued pursuant to article 425 of the Italian Code of Criminal Procedure, or if the proceeding does proceed, until an order of acquittal is issued pursuant to article 529 and 530 of the Italian Code of Criminal Procedure.

Should just one of the above situations apply, the person in question will be ineligible to act as a member of the SB and, if elected, will automatically go out of office, without the need for revocation by the Board of Directors, who will substitute the same.

The members of the SB go out of office in the event of resignation, supervening incapacity, death or revocation. Termination of the employment relationship between a member of the Supervisory Board (so-called "internal member") and the Company implies that the person concerned will automatically cease to be a member of the Supervisory Board.

The members of the SB may be dismissed for just cause. By way of example, but not in a limiting sense, just cause is intended as any of the following circumstances:

- if it is ascertained that the Supervisory Board is in serious breach of its duties;
- failure to notify the Board of Directors of a conflict of interests that prevents the person in question from acting as a member of the SB;
- if the Company is convicted, even if the judgement is not final, or has accepted a plea bargain pursuant to article 444 of the Italian Code of Criminal Procedure, if omission or insufficient supervision by the Supervisory Board is ascertained from the case records;
- breach of confidentiality obligations involving news and information acquired in exercising its functions as Supervisory Board;
- in the case of members who are employed by the Company, if a disciplinary proceeding that may lead to dismissal, is opened against the same.

The revocation is decided pursuant to resolution of the Board of Directors.

In case of resignation, supervening incapacity, death or revocation of a member of the Supervisory Board, the Chairman of the Supervisory Board will immediately inform the Board of Directors, who will make the necessary decisions.

In case of resignation, supervening incapacity, death or revocation of the Chairman of the Supervisory Board, the most senior member will act as Chairman, and will remain in office until the date on which the Board of Directors appoints a new Chairman of the Supervisory Board.

## **4.2 Requirements**

Before appointing the Supervisory Board, and at appropriate intervals thereafter, the Board of Directors will verify that the SB as a whole continues to hold the requirements indicated hereunder.

#### 4.2.1 Professionalism

The Supervisory Board - as a whole - should have the technical-professional experience and skills that enable it to carry out its functions, with competence and objectivity of judgement.

In particular, specific expertise for inspection and advisory activities should be ensured, such as experience in statistical sampling, risk analysis and assessment techniques, interviewing techniques and the preparation of questionnaires, as well as methodologies for detecting fraud.

#### 4.2.2 Autonomy and Independence

The Supervisory Board is autonomous and independent.

The SB is autonomous with respect to the Company in that it is not involved in any way in operational or management activities. Moreover, the SB may execute its role without direct or indirect constraints, by the controlled parties. The activities of the Supervisory Board may not be influenced by any other corporate body or structure.

The SB is also autonomous in a regulatory sense, in other words it may determine its own behavioural and procedural rules, within the scope of the powers and functions determined by the Board of Directors.

The autonomy of the Supervisory Board is ensured by the fact that the same is not involved in any operational and management activities, and because it reports directly to the Board of Directors.

#### 4.2.3 Budget

In order to further strengthen its required autonomy and independence, the Supervisory Board has an adequate initial and periodical budget, previously decided by the Board of Directors. The Supervisory Board has full discretion on how to spend the budget, without prejudice to the fact that the same should submit an annual report on the use thereof.

#### 4.2.4 Continuity of Action

The Supervisory Board is required to constantly monitor that Recipients comply with the Model, ensuring the implementation and updating of the same, and acts as a reference point, at all times, for Company personnel<sup>13</sup>.

### 4.3 The Supervisory Board of Massimo Zanetti Beverage Group S.p.A.

The Board of Directors has opted for a board with a sole member.

SUPERVISORY BOARD	CONTACT DETAILS
Ms. <b>BARBARA STRAMIGNONI</b> , lawyer, experienced in criminal law, compliance & regulatory, external expert.	<a href="mailto:odv@mzb-group.com">odv@mzb-group.com</a> Supervisory Board <b>Massimo Zanetti Beverage Group. S.p.A.</b> Via Felissent 53, Villorba 31020 (TV)

Given the functions of the Supervisory Board and the specific professional competencies that it must deploy, in the performance of its activities, the SB may be supported in the performance of its supervisory and control duties by dedicated staff and may use the help and support of the Internal Audit function and other internal

<sup>13</sup> According to Confindustria Guidelines, medium and large companies should have an "internal structure devoted exclusively, and on a full-time basis, to supervising the Model".

functions of the Company in order to ensure the effective implementation of the measures of the Model.

#### **4.3.1 Functions and Powers**

Without prejudice to the responsibility of the Board of Directors for the adoption, implementation and updating of the Model, the following tasks are entrusted to the Supervisory Board:

- monitoring compliance of the Model by the Recipients, above all, as regards conduct within the Company. It should be noted that such control activities are delegated to the primary responsibility of the operational management and are considered as a fundamental and integral element of each and every corporate process ("line control"), which is the reason of the importance of a properly designed personnel training process<sup>14</sup>;
- verification of the adequacy of the Model, namely the actual capacity of the Model to prevent the crimes set forth by Decree 231;
- reporting the need to update<sup>15</sup> the Model to the Company, when it is necessary to update the same due to:
  - significant breach of the provisions of the Model;
  - significant changes to the internal structure of the Company and/or the manner in which business activities are carried out;
  - regulatory changes.

The activities carried out by the Supervisory Board cannot be influenced by any other corporate body or department, without prejudice to the fact that the Board of Directors is in any case required to carry out the final monitoring of the adequacy of the activities of the SB, given that the management board is ultimately responsible for the functioning and effectiveness of the Model.

In carrying out these activities, the Supervisory Board will:

- ensure that the Model is known and understood in the Company;
- coordinate itself and collaborate with Company departments (even by arranging meetings) in order to ensure that sensitive and/or "at risk" Company activities, are monitored in the best way possible;
- verify the creation and efficiency of "dedicated" information channels (for example email address, post office box for hardcopy reports), in order to facilitate the flow of reports and information to the Supervisory Board;
- carry out targeted checks on specific operations or acts performed in sensitive and/or "at risk" Company activities;
- verify the actual development of information and training initiatives involving the Model by the Company;
- report to the Board of Directors any cases of breach of the Model, that are considered to be founded.

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<sup>14</sup> See Confindustria Guidelines: *"In particular, the following levels of supervision are defined:*

- **CONTROL LEVEL 1**, which defines and manages the so-called line controls, inherent in the operational processes, and relevant risks. This is in general carried out by the internal resources of the structure, both with self-monitoring carried out by the operator and under the supervision of a supervisor/manager, but may involve, in the case of specialized aspects (for example instrumental checks), the use of other internal or external resources. The verification of health and safety measures of an organizational and/or procedural nature should preferably be carried out by the persons appointed during the allocation of responsibilities (generally these are managers and supervisors). The Prevention and Protection Service, that is required to develop, insofar as the same is competent, the control systems for the measures adopted, is of particular importance;

- **CONTROL LEVEL 2**, carried out by the technical departments of the company with the required expertise and skills, that is independent from control level 1, and by the work sector verified. This monitoring activity supervises the management and control process of the risks associated with system operations, ensuring that it is consistent with the company objectives;

- for the more structured and medium-large companies, there is also a **CONTROL LEVEL 3**, which is carried out by the Internal Audit, that provides assurance, namely independent assessments on the planning and functioning of the Internal Control System as a whole, together with improvement plans defined with the Management

<sup>15</sup> The Confindustria Guidelines specify that updating is carried out pursuant to:

- suggestions and proposals made to the corporate boards or departments that can actually implement the same within the Company, according to the type and extent of interventions: the proposals relevant to formal or less important aspects will be addressed to the Personnel and Organization department or the Director, while in the more important cases, proposals are submitted to the Board of Directors;
- *follow-up*: verification of the implementation and functionality of the proposed solutions.

In order to fulfil the above obligations, the SB shall have the authority to:

- issue orders to regulate its activities and prepare and update the list of information received from other Company departments;
- gain access, without prior authorization, to any Company document in order to carry out the functions for which it is responsible;
- ensure that the Company department managers, and, in any case, all the Recipients, immediately provide the information, data and/or details required to identify aspects relevant to important business activities pursuant to the Model and to verify the actual implementation of the same by the Company;
- report to the competent corporate departments and boards the need to open a disciplinary procedure in the case of breach of the Model;
- make use of experienced external consultants having the required level of expertise, when this is necessary to perform the above-mentioned activities.

#### **4.3.2 Reporting to the corporate bodies**

The Supervisory Board liaises at all times with the Director in charge of the Internal Control and Risk Management System; a report is also sent periodically to the Board of Directors.

The Supervisory Board reports to the Board of Directors:

- if necessary, in order to submit proposals for updates and modifications of the Model;
- immediately, in the case of ascertained cases of breach of the Model, if such breach implies the liability of the Company, in order to ensure that appropriate measures are taken;
- periodically, submitting at least a report per year, relevant to:
  - the verification and control activities carried out and the results thereof;
  - a summary of the reports received and the related follow-up activities;
  - any critical issues ascertained in terms of behaviours or events that may have an effect on the adequacy or effectiveness of the Model, and appropriate corrective or improvement measures;
  - identification of the work plan for the following year.

A copy of this report is sent to the Board of Statutory Auditors and discussed on the semi-annual "Control Day" meeting held with the Director in charge of the Internal Control and Risk Management System, the Control, Risks and Sustainability Committee, the Board of Statutory Auditors, the Supervisory Board, the Manager in charge of the preparation of corporate accounting documents, the External Auditors and the Internal Audit.

The Supervisory Board may be summoned at any time by the Board of Directors and may, in turn, submit a request, for reports on the functioning of the Model or specific situations.

#### **4.3.3 Information Flows**

The SB shall be constantly informed about what is happening in the Company.

The obligation of informing the Supervisory Board ensures that supervisory and control activities relevant to the effectiveness of the Model, are carried out in an orderly manner.

##### **4.3.3.1 Periodical Information Flows**

The information, data and details provided by the Information Flow Document - that is intended as an integral part of this Model - are communicated to the SB - as well as that information further identified by the Supervisory Board or requested by the same to specific Company's departments.

#### 4.3.3.2 "Event" Information Flows

Any information, of any kind, concerning the implementation of the Model in the areas which are sensitive activity areas and compliance with the provisions of Decree 231, that may help the Supervisory Board perform its duties, shall be communicated to the latter immediately. In particular, THE FOLLOWING CIRCUMSTANCES SHALL BE COMMUNICATED IN THE SHORTEST POSSIBLE TIME, even by email to the Supervisory Board - [odv@mzb-group.com](mailto:odv@mzb-group.com):

- **any breach of the Code of Ethics and the provisions of the Model;**
- circumstances that may imply a conflict of interest;
- orders and/or notices from the Criminal Police, or any other Public Authority, that indicate that an investigation is under way for any of the crimes set forth by Decree 231 or any other crimes, even against unknown persons, in compliance with the confidentiality and secrecy obligations set forth by law;
- access/inspections/notifications/requests by the Authorities or Police or Criminal Police;
- workplace accidents;
- amendments to the delegation and proxy systems, amendments to the by-laws or Company organization chart;
- reports or requests for legal assistance forwarded to the Company by the top managers (so called "apicali") or persons under the supervision of others, if legal proceedings are filed against the same for any of the crimes set forth by Decree 231;
- information as regards the actual implementation, at all company levels, of the Model, reporting any penalties applied, or orders to discontinue disciplinary proceedings, together with the relevant reasons;
- reports or statements prepared by the persons in charge of the relevant control activities, describing critical circumstances, acts or omissions with respect to compliance with the provisions of Decree 231 or the provisions of the Model;
- reports from collaborators, agents and representatives, consultants and in general, self-employed workers, and suppliers and partners (including temporary associations of companies and joint-ventures), and more generally, anyone who operates on behalf of or in the interest of the Company, relevant to breach of or failure to apply the provisions of the Model or Code of Ethics.

#### 4.3.3.3 Whistleblowing

Any breach or suspected breach of the rules of conduct as referred to in the Code of Ethics, and of the rules of conduct or the procedures for the performance of sensitive or "at risk" activities indicated in Model, should be reported<sup>16</sup> to the Supervisory Board as follows:

- **By mail**, to the attention of the Supervisory Board of Massimo Zanetti Beverage Group S.p.A., Via G. G. Felissent no. 53 – 31020 Villorba (TV), marking the envelope as "**CONFIDENTIAL**"; or, alternatively,
- **By email**, to the dedicated email address [odv@mzb-group.com](mailto:odv@mzb-group.com), indicating "**CONFIDENTIAL**" in the email subject.

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<sup>16</sup> Pursuant to Article 6 (2-bis) of Decree 231, the reports referred to in this paragraph and, in general, the detailed reports of misconduct, relevant for the purpose of Decree 231 and based on accurate and consistent factual elements, or of violations (including suspected violation) of Model 231 of which the Recipients have become aware by virtue of the functions they perform, fall within applicable whistleblowing legislation (Law no. 179 of 30 November 2017, "Provisions on the protection of the persons reporting crimes or irregularities of which they have become aware within public or private employment", as subsequently amended and supplemented), with particular regard to the protection of the reporting person from any form of retaliation and/or discrimination. In compliance with Article 6 (2-bis) of Decree 231, violations can be reported through the channels indicated in § 4.3.3.3., which ensure confidentiality of the identity of the reporting person in the course of the related management activities.

The Supervisory Board:

- evaluates all reports received and takes the ensuing initiatives at its reasonable discretion and under its responsibility within the powers conferred upon it, also hearing the reporting person and the person who has committed the alleged breach. All ensuing decisions should be justified; any ensuing measures shall be applied in compliance with the provisions of § 3 on the Disciplinary System;
- acts in such a way as to protect the persons making such reports against any form of retaliation, discrimination or penalization or any other consequences, ensuring complete confidentiality as regards their identity, without prejudice to the obligations set forth by law and the protection of the rights of the Company or persons falsely accused or who have been accused in bad faith.

**Any direct or indirect acts of retaliation or discrimination against the reporting persons for reasons directly or indirectly related to the report are expressly forbidden.**

The disciplinary sanctions as referred to in § 3 of this Model shall also apply to i) persons violating the protection measures for reporting persons and ii) persons making false reports for wilful misconduct or gross negligence.

The reports shall be managed, processed and filed in compliance with the regulation on personal data.

## 5 DISTRIBUTION OF THE MODEL

### 5.1 Distribution

The Company undertakes to distribute the Model as described hereunder:

- by publishing the most recent updated versions of the Code of Ethics and General Section of the Model, on the website [www.mzb-group.com](http://www.mzb-group.com);
- by forwarding a notice to all members of staff informing the same that the Model has been introduced by the Company;
- by publishing the Model and ethical documents on the Company Intranet or on any other appropriate communications instrument;
- by organizing information campaigns to raise awareness of Decree 231 and the provisions of the Model, if the same are updated or amended, in the most appropriate and efficient manner.

As regards information to external collaborators, suppliers, consultants, business partner and agents, the most appropriate measures will be taken (information, contractual clauses, etc.) to inform the above that the Company has adopted the provisions of Decree 231 and the Code of Ethics.

### 5.2 Training

Given that the Company is perfectly aware that training and providing information are very important in terms of prevention, it has defined a communications and training programme for all members of staff on the most important aspects of Decree 231 and relevant obligations, including the provisions of the Model and Code of Ethics adopted by the Company.

The Company's information and training courses for personnel are organized by different levels, according to the level of involvement of personnel in sensitive and/or "at risk" activities. Training programmes whose aim is to disseminate knowledge of Decree 231 and the provisions of the Model in any case have a different content and methods of disclosure, according to the qualifications of Recipients, the risk level in the area in which

they operate, and whether or not the same represent and manage the Company.

All members of staff will be expected to participate in the training programmes, including any resources that may be recruited in the future. Training shall be arranged when an employee joins the company, in case of any change in the duties assigned to employees and after any update or amendment of the Model.

## **6 INTRODUCTION AND UPDATING OF THE MODEL**

### **6.1 Introduction**

As set forth by the provisions of article 6, paragraph I (a) of Decree 231 - this Model is an "official document issued by the managing body" - and has been approved and adopted pursuant to resolution of the Board of Directors.

### **6.2 Updates**

The Supervisory Body is responsible for ensuring that this Model and the procedures and protocols that are an integral part thereof, are updated and amended as required, submitting the necessary proposal to update and modify the same to the Board of Directors.

The Board of Directors is responsible for updating and modifying the Model as required, also following the introduction of changes in the organizational structure or operational processes of the Company, in the case of significant breach of the Model or legislative amendments.

Substantial amendments to the Model should in any case be approved pursuant to resolution of the Board of Directors.

The Director in charge of the Internal Control and Risk Management System may in any case introduce any purely formal modifications or additions to this document (see paragraph 2.3), provided the content thereof remains substantially unchanged. The Board of Directors and the Supervisory Board should however be promptly informed of such amendments or additions.

### **6.3 Distribution of the Model**

The complete and updated versions of the General Section of the Model and the Code of Ethics are published on the website [www.mzb-group.com](http://www.mzb-group.com) under the section IR/Corporate Governance.

The Special Section and all the relevant documents are filed on the Company premises.