

# **Tavola S.p.A. – Compliance Project 231**

Summary of the Organisation, Management and Control Model



## **SUMMARY OF ORGANISATION, MANAGEMENT AND CONTROL MODEL, LEGISLATIVE DECREE NO. 231 OF 2001**

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## **Introduction and introductory notes to the reading of the document**

This document was prepared **as a summary** of the project of conformity and compliance with Legislative Decree No. 231 of 2001 in order to present the Organisational Model **in a simple and immediate way**.

This document is therefore a tool for communicating with all stakeholders in our organisation, particularly employees, customers, company owners, management, suppliers, non-company collaborators and the supervisory bodies (recipients of the Model).

The Organisation Model 231 in force is the second version, which annuls and replaces the previous version of 13 September 2011.

## **Changes to the previous revision of the Organisation Model 231**

- complete update of the General Part
- General Part made independent
- regulation of independent supervisory body approved by the Supervisory Body
- disciplinary system no longer integrated
- greater detail on the procedures and protocols to be applied
- new offence categories included

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Terminological notes: the term "Company" is used for convenience to refer to Tavola S.p.A., the term "Model" to refer to the organisational and management model, the term "Decree" to refer to the Legislative Decree No. 231 of 2001.

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## **1. The administrative liability of companies and entities for offences committed in their interest or for their benefit**

### **a. The Legislative Decree 231/2001**

Duly implementing the power delegated to the Italian government under Article 11 of Law No. 300 of 29 September 2000, and in fulfilment of international conventions, Legislative Decree 231 of 2001 introduced the “Regime of administrative liability attributable to legal persons, companies and associations, including those without legal personality” deriving from the commission of specific offences, committed in the interest or for the benefit of the entity by specific individuals holding senior management positions in the organisation or subject to the direction or supervision of a person in a senior management position. Based on the constitutional principle by which criminal liability can be attributed only to a natural person i.e. an individual, the new rules introduced a regime of non-criminal liability (referred to as “administrative” liability) attributable to companies or entities that use the offence as a means of strengthening their market position (interest or benefit). The liability that attaches to the entity in this context constitutes an independent regime of liability additional to and separate from the criminal liability of the individual perpetrator of the offence, and enables companies or entities to be held directly liable if they have received an interest or benefit from the commission of offences by individuals who hold senior management positions or are subject to the direction or supervision of a person in a senior management position.

### **b. The “predicate” offences**

Based on the principle of legality enshrined in Article 2 of the aforementioned Decree, a company or entity cannot be held liable for an act, fact or omission constituting an offence if its administrative liability in relation to that offence and the related sanctions are not specifically provided for by a law already in force at the time when the act, fact or omission in question occurred.

It follows from this principle that liability is not associated with the simple commission of an offence having that status in the criminal law, but rather with specific offences - “predicate offences) - which were first introduced by Legislative Decree No. 231 of 2001, but were later extended by the addition of further offence categories, and which continue to be updated and improved based on EU requirements or domestic considerations.

The predicate offences may thus be schematised into the following areas. This classification is indispensable in order ensure that convenient application by the company is supported by a properly legal approach. This classification by area or category makes it easier to identify the organisational processes and activities (and associated persons/entities) that may be involved and, consequently, to draw up procedures and controls for the purpose of managing such corporate processes. Subsequently, a careful application of the procedures can also enable the individual offence category itself to be examined and assessed in detail. The Special Part of this document highlights specific areas of corporate organisation and control which carry specific risks for the Company.

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### c. The predicate offence categories

- I. Offences committed in dealings with the Public Administration (corruption, extortion, embezzlement)
- II. Corporate offences and market abuse
- III. Offences aimed at terrorism or subversion of the democratic order
- IV. Offences against personhood
- V. Offences associated with workplace safety
- VI. Offences of receiving, money-laundering and use of money, goods or benefits of illicit origin
- VII. Computer crimes
- VIII. Offences of organised crime (cross-border offences and false statements)
- IX. Offences against industry and commerce
- X. Offences involving breach of copyright
- XI. Environmental offences
- XII. Offences of employing third-country nationals without residence permit

### d. The sanctions

Legislative Decree No. 231 of 2001 imposes sanctions upon a company in whose interest or for whose benefit a predicate offence has been committed, which may be classified as follows:

- monetary sanctions: up to a maximum of Euro 1,549,370 (and pre-emptive seizure at interlocutory stage);
- disqualification sanctions:
  - disqualification from carrying out the activities;
  - suspension/revocation of authorisations, licenses or concessions that facilitate the commission of the offence;
  - prohibition on dealings with the public administration;
  - exclusion from credit facilities, funding, grants or subsidies and the revocation, as appropriate, of those already granted;
  - prohibition on advertising goods or services;
- confiscation of the company's profit from the offence (however ordered, also in equivalent form);
- publication of the criminal sentence, which may be ordered if a disqualification sanction is imposed.

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### **e. Offences committed abroad**

According to Article 4 of Legislative Decree No. 231/2001, the company can be held liable in Italy for offenses contemplated by that Decree, if they are committed abroad. The following are the preconditions envisaged by the Decree that attribute liability to the company or entity for offences committed abroad:

- the offence is committed abroad by a person functionally associated with the entity, pursuant to Article 5.1 of the Decree;
- the entity has its main headquarters on Italian territory;
- the State of the place where the offence was committed does not proceed against the entity.

### **f. Preconditions for exemption from liability**

According to Article 6.1 of Legislative Decree No. 231/2001, the entity is not responsible if it can prove the following:

- a. that the governing body adopted and effectively implemented, prior to the commission of an offence, organisational and management models that are suitable to preventing offences of the type that occurred;
- b. that an internal supervisory body with independent powers of initiative and control was tasked with supervising the effective operation of and compliance with the models, and updating them;
- c. that the individuals who committed the offence fraudulently circumvented the organisational and management models in place;
- d. that the supervisory body referred to in letter b) above was not responsible for any non-existent or inadequate supervision.

In order for the organisational and management model to have the effect of exonerating a company or entity from liability, it must respond to specific exigencies which may be exemplified as follows:

- a. it must identify the activities which are at risk of commission of offences (analysis of risk and sensitive activities and work programme);
- b. it must establish specific protocols (procedures and protocols) whose purpose is to orient the process of formation and implementation of company decisions in relation to the offences to be averted;
- c. it must identify methods for the management of financial resources suitable to preventing the commission of offences (basic controls included in the procedures);
- d. it must impose obligations to report to the body tasked with overseeing the operation of and compliance with the Model (Regulation of the Supervisory Body and reporting);
- e. it must introduce a disciplinary system with penalties for failure to implement the measures indicated in the Organisational Model (disciplinary and sanctions system).

The documents compiled by the Company are indicated in brackets.

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## **2. The reasons for adopting an organisational model associated with averting offence risk**

### **a. Formal commitment**

Cognisant of how important it is - if the commitment to managing company activities in a proper and transparent manner is to be honoured - to introduce systems of control aimed at preventing the commission of offences pursuant to Legislative Decree No. 231 of 2001, Tavola S.p.A. has adopted organisational and management models as an indispensable tool by which to inspire and guide the conduct of its directors, employees, suppliers, customers, consultants, non-company collaborators, subcontractors, service providers and any other/entity that may have dealings, institutional or otherwise, with the Company on a daily basis, and to ensure that the risk that they could commit offences listed under the Decree is eliminated.

Changes, updates and additions to the Model are made by a decision of the management body or by the latter's delegated appointees; detailed responsibilities are described in the quality manual, in the procedures, in the service orders or in the regulations, and formal procedures are also in place for internal auditing activity.

The Company has made reference to the general principles of the Code of Ethics and of the Confindustria Guidelines (as applicable) in drafting the Model.

As required by Legislative Decree No. 231 of 2001, the Supervisory Body is the entity that monitors actual compliance with the provisions of the Model adopted; its operating rules are governed by a specific regulation.

Conduct that fails to comply with the Model or with associated documents is punishable under the rules of the in-house disciplinary system, which are in conformity with applicable legislative provisions and, in particular, with the provisions of collective labour agreements in force and with the procedures for ascertaining infringements.

Further references: [www.Tavola.it](http://www.Tavola.it) – Compliance section

### **b. Application of the Model**

All actions, transactions and operations of the Company must be properly recorded and documented, to ensure that it is always possible to verify the process of decision-making, authorisation and implementation, and also to monitor and check the characteristics of and reasons for the action, transaction or operation in question, and to identify the person who authorised, implemented, recorded and verified same.

In order for a company activity to be properly managed, it is imperative that a minimum of two persons should participate in it, therefore no transaction or operation should be implemented by a single individual in full independence.

All contracts signed by the Company must contain clauses that require compliance with the Model and with specific procedures applicable; the infringement of such clauses shall have the effect of terminating the contract and may lead in suitable cases to an action seeking compensation for any loss incurred.

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In its contractual dealings with third parties, the Company carefully checks the credentials and trustworthiness of the contracting party, ensuring that all significant payments between the parties are made by bank transfer or equivalent transparent mechanism.

Company decisions that are of relevance outside the company shall be absolutely transparent.

A programme of training and refresher training has been set up for managers and employees, to learn about the principles of the Model, and persons with supervisory functions must report to the Supervisory Body if any irregularities have been identified in complying with the Model's procedures.

### **c. Procedures followed in identifying offence risk with specific reference to sensitive activities**

In order to guarantee that the company will be exempt from liability if an offence is committed, it is essential that the Organisational Model was adopted according to a procedure capable of identifying potential offence risks, with special reference to sensitive activities and having regard to the Company's actual operational and market conditions; this has been done by means of a formal, documented assessment of offence risks which is updated at least once a year and whose results are submitted to the management body.

The procedures reaffirm rules that the Model imposes in cases where a sensitive or at-risk activity is carried out in the Company, and they represent the most relevant and significant aspect of the Model.

Sensitive activities (in terms of offence-risk) are vulnerable sectors of activity and business processes of the Company which may be implicated in the commission of offences under the Decree, and associated rules.

## **3. The Code of Ethics and Conduct**

The rules of conduct refer to the general principles of conduct which all of the Company's employees, corporate bodies, consultants, partners and non-company collaborators must comply with.

More particularly, special rules have been laid down for:

- Dealings with the public administration
- Sponsorships
- Gifts
- Use of personal goods
- Health and safety
- Environment and waste
- Public funds
- Individual rights and the community
- Intellectual property protection
- Prevention of terrorism
- Anti-money laundering

The Code is based on general principles of legality. All of the Company's employees and non-company collaborators must undertake to comply with applicable legislative and regulatory provisions; they must not engage in conduct that could lead to the commission of offences provided for by Legislative Decree No. 231 of 2001, or conduct that could potentially lead in this direction.

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Consultants, suppliers and any other person/entity/collaborator engaged in dealings with the Company must also provide these undertakings. The directives and provisions of the Code are also addressed to those who represent or may represent the Company before third parties.

### **4. Delegated powers and powers of attorney**

The company system of delegated powers enables senior management personnel to delegate to managers and function managers any powers which they require in order to carry out their duties and tasks. The Management Body sits at the apex of this system, and it acts in conformity with the company Articles of Association and determines the delegated powers that are required, including those necessary in order to properly apply the Organisational Model, with particular reference to internal auditing and to the members of the Supervisory Body.

Using the power of attorney mechanism, the management body or a committee/representative thereof entrusts solely the actual exercise of powers to the delegated appointee, while retaining the authority to interfere in the delegated activity by exercising powers to give directions, to oversee the delegated activity and to assume powers. The representative or the delegated appointee, in turn, cannot delegate to other parties the power of representation or the delegation which the representative or delegatee has been granted, if this has been provided for. The power to legally represent the company, consequently, always remains vested in the Company's legal representative.

The power of attorney is also a mechanism by which to clearly and transparently regulate aspects associated with the expenditure powers delegated for individual sectors of activity, therefore it should be complete in all its aspects and provide adequate financial resources for the recipient of the power, as required.

The delegated activity is always subject to the direct and discretionary supervision of the delegating party, thus ensuring that the delegated appointee cannot act absolutely independently and unsupervised.

The management body manages its delegated activities by means of the chart of delegated powers and powers of attorney and the company job description chart.

### **5. The Supervisory Body**

The management body appoints the Supervisory Body according to procedures defined by the Regulation; this document is approved by senior management and submitted to the Supervisory Body for its approval and, if necessary, modified according to requirements. This activity is accounted for and recorded fully in the meeting minutes. The Supervisory Body is provided with an annual budget to enable it to carry out its tasks and duties.

The Supervisory Body makes a record of its activities in special minutes, and a special procedure is available for activation by any interested party.

The key information that should be transmitted to the Supervisory Body is indicated below; responsibilities and minimum timeframes are indicated in a suitable document. Other information flows may be provided for by specific procedures.

Standard information flows:

- Financial statements
- Report of the Board of Statutory Auditors
- Sanctions and audits of control bodies
- Accidents and workplace safety monitoring indicators

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- Sanctions on employees
- Reports of internal audits and certifications
- social security compliance Certificate (DURC) and Chamber of Commerce company search record
- reports and complaints/customer disputes
- Legal actions underway
- Press review

### **6. Training and information provision and selection of human resources**

In order to ensure that the principles and provisions of the Organisational Model are properly and effectively implemented, the Company is committed to ensuring that they are properly disclosed and disseminated to its own employees (at all levels) and to those who have contractual dealings with the Company, on any basis whatsoever. For most employees, the necessary manuals and procedures are delivered and presented to each employee at the time of recruitment, this activity is recorded. At the time of recruitment, furthermore, each employee is requested to sign a declaration to the effect that he/she knows, accepts and commits to compliance with the fundamental principles and rules of conduct applicable. The company network also has a space dedicated to the dissemination and knowledge of the Organisation Model and of its associated procedures. Participation in training and refresher training activities is mandatory for all Company employees.

### **7. The disciplinary system**

Those to whom the disciplinary system is addressed, who are the recipients of the Model and of the associated procedures, are under an obligation to ensure that their conduct is in conformity with the Code of Ethics and with the procedures anticipated by the Model.

In relation to employees, in compliance with the procedures indicated in Article 7 of Law No. 300 of 30 May 1970 (the Workers' Statute) and in any special regulations applicable, disciplinary measures are imposed while taking into account the disciplinary system of the National Collective Labour Agreement (CCNL) applicable, and also the company regulation or supplementary employment agreement (as applicable).

For those who are associated with the company by contracts other than employment agreements, the measures applicable and the disciplinary and sanctions procedures must comply with the laws in force and with contractual conditions applicable. Details are provided in the disciplinary regulation.

### **8. Reference to other company documents and updating of the Organisational Model 231**

The Supervisory Body is entrusted with the task of updating the Model, in conformity with the provisions of Article 6.1 b) of Legislative Decree No. 231 of 2001.

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To this end, the Supervisory Body - supported by company functions responsible for overseeing regulatory innovations, changes in the organisation and in the types of activities performed by the Company and guaranteeing, in particular, that the Supervisory Body receives information flows for these purposes on an ongoing basis - ascertains the need to update the Model and notifies this to the Management Body, also providing information as to the manner in which it proposes to make the relevant interventions. The Board of Directors assesses the need to update the Model, as recommended by the Supervisory Body and, in consultation with the Board of Statutory Auditors, it passes resolutions to update the Model by making any changes or additions deemed necessary.

The Model is reviewed each year, in any case, such review to be authorised by resolution of the management body.

This Model includes, as an integral part thereof, company procedures and instructions, circulars and notices issued with a view to preventing illegal conduct that could lead to the company being held liable (pursuant to Legislative Decree No. 231 of 2001); this aspect is indicated in the purpose and scope field at the top of the aforementioned documents.

These documents are managed in the form of controlled documents in accordance with the appropriate internal procedure, in compliance with international management system standards (ISO).

### **9. Reports**

Reports may be sent in writing and in non-anonymous form using the following communications means:

e-mail: [odv@tavola.it](mailto:odv@tavola.it)

by letter to the following address: Via Bernardino Verro 35, 20141 Milano, Organismo di Vigilanza (Supervisory Body - confidential)

All requests for information related to this document should be sent to the following e-mail address: [odv@tavola.it](mailto:odv@tavola.it)

Please consult the following website if you require further information: [www.tavola.it](http://www.tavola.it) compliance section

### **10. Content of the Special Part**

The various offence categories (see above) are analysed in the Special Part.

Each section reports:

- A detailed list of the predicate offences
- Activities associated with a potential offence
- Reference procedures for managing the activities
- Any specific conduct protocols
- Information flows to the Supervisory Body