

Representative document of  
the **HRIT ORGANISATION,**  
**MANAGEMENT AND CONTROL**  
**MODEL** PURSUANT TO  
LEGISLATIVE DECREE  
No. 231/2001

**April edition 2022**

**HR**  **IT**

HR • ACCOUNTING • TAX

## **General Section**

# **HRIT ORGANIZATION, MANAGEMENT AND CONTROL MODEL PURSUANT TO LEGISLATIVE DECREE No. 231/2001**

**April 2022 edition**

Approved by the Administrative Body on 06/04/2022

# General Section

## SUMMARY

General section .....	4
1. Legislative Decree 231/2001.....	4
1.1 The administrative responsibility of entities.....	4
1.2 Violations envisaged by Decree 231 .....	4
1.3 Sanctions envisaged by Decree 231 .....	6
1.4 Conditions exempting from administrative liability.....	6
1.5 Violations committed abroad.....	7
2. The Company and its Internal Control System.....	8
2.1 Premise.....	8
2.2 The Corporate Governance System .....	8
2.3 The HRIT Internal Control System .....	9
2.4 The Company Regulatory System .....	10
2.5 The Code of Ethics.....	11
2.6 Centralization and outsourcing of activities .....	12
3. The HRIT Organisation, Management And Control Model.....	12
3.1 The purpose of Model 231.....	12
3.2 Recipients .....	13
3.3 The structure of Model 231 .....	13
3.4 Assumptions of Model 231.....	14
3.5 Elements of Model 231.....	15
3.6 Identification of sensitive activities .....	15
3.7 Control principles.....	16
4. Supervisory body .....	18
4.1 Identification of the Supervisory Body.....	18
4.2 Causes of ineligibility, forfeiture and revocation of the Supervisory Body .....	18
4.3 Powers and functions of the Supervisory Body.....	19
4.4 Reporting by the Supervisory Body to the Management .....	20
4.5 Information flows to the Supervisory Body.....	20
4.6 Reporting violations (Whistleblowing).....	21

5. The penalty system.....	23
5.1 Premise.....	23
5.2 Sanctions for employees .....	23
5.3 Sanctions for managers .....	25
5.4 Measures against administrators .....	25
5.5 Measures against the members of the SB .....	25
5.6 Measures against suppliers, collaborators, partners and consultants .....	26
6. Selection and training of personnel and dissemination of the model.....	27
7. Model 231 updates.....	28

# General section

## 1. LEGISLATIVE DECREE 231/2001

### 1.1 THE ADMINISTRATIVE RESPONSIBILITY OF ENTITIES

Legislative Decree No. 231 of 8<sup>th</sup> June 2001 (hereinafter Decree 231) was, since its first elaboration, conceived as a regulatory tool with the aim of regulating the administrative liability of legal individuals and bodies. Following decades of debate regarding the constitutionality of the personification of the entity, the national Legislator has gradually complied with European requests of the 1995 PIF Convention and the 1997 OECD Convention.

The provisions of Decree 231 provide that the entity is liable for crimes committed in its interest or to its advantage by persons in senior positions, even when the perpetrator of the crime has not been identified or cannot be charged. The means by which the entity may protect itself, in order to be excluded from liability or to limit its effects, is to equip itself with an adequate and effective Organizational Model (hereinafter Model 231) capable of identifying those activities at risk of committing violations and setting up safeguards, the implementation of which must be verified by a specific Supervisory Body (hereinafter SB). Decree 231 provides for pecuniary sanctions for entities and, secondarily, disqualification sanctions reserved for particularly serious cases.

The recipients of Decree 231 are identified as entities of a legal character, companies and associations also without legal personality, with the exclusion of the State, territorial public entities, other non-economic public entities as well as entities performing functions of constitutional significance.

Those in senior positions are understood as those holding positions of representation, administration or management functions in the entity or one of its organizational units with financial and functional autonomy, as well as by persons who exercise, even de facto, the management and control of the same; the responsibility falls on the entity even if the incriminating act was committed by persons subject to the management or supervision of one of the aforementioned subjects. The entity's liability also exists when the perpetrator of the crime has not been identified or cannot be charged.

Furthermore, with sentence No. 4284 of 1999, the Court of Cassation established that, in order for Italian legislation to be implemented, it is sufficient that any participation activity of any of the competitors has been put in place. Therefore, it makes no sense that this partial activity does not in itself have the character of illegality, having to be understood as a fragment of a single criminal process to be considered as essential.

If, on the other hand, the perpetrator of the crime has committed the violation predominantly in his/her own interest or that of third parties, and the entity has not obtained an advantage from it or has obtained a minimal advantage, or even when the pecuniary damage caused was particularly tenuous the fine will be greatly reduced.

### 1.2 VIOLATIONS ENVISAGED BY DECREE 231

In order for an entity to be considered effectively responsible, it is necessary that the liability and related sanctions be provided for by a law that entered into force before the



event itself, thus interpreting the principle of legality from a non-retroactive perspective. Furthermore, the incriminating fact must be expressly provided for by the law or by the regulatory acts equivalent to it, excluding the possibility of deducing it, for example, from rules that contain similar cases: the list of the so-called violation “presupposition” is mandatory and is therefore not susceptible to integration by means of the charge of equivalent crimes or the artificial fragmentation of the constituent elements of the compound crime.

Precisely for this purpose, Decree 231 contains a precise list of a large number of predicate crimes that fall within the framework of the liability of entities. Initially only crimes of embezzlement to the detriment of the State, fraud, computer fraud, extortion and corruption were envisaged, and the entry of new crimes was slow and gradual, as illustrated below:



### **1.3 SANCTIONS ENVISAGED BY DECREE 231**

Section II of Decree 231 dictates the discipline of the sanction system in terms of liability for crimes applicable to entities on the basis of the essential principles of proportionality, adequacy and flexibility. This system appears to be essentially binary, being based on the mandatory application of pecuniary sanctions and on the subsidiary application of disqualification sanctions, reserved for particularly serious cases.

As regards the first category, the Legislator has outlined a quota system: to quantify the sanction, the judge has the task of determining a number of quotas, which can vary on the basis of the seriousness of the offence, the degree of responsibility of the entity and of the activity it carries out in order to eliminate all or part of the consequences deriving from the commission of the crime or to prevent the commission of further illegal cases. This discipline will then necessarily be integrated on the basis of the provisions concerning single crimes, which indicate for each of them the maximum parameters for the allocation of the number of quotas. The same judge then has the task of defining the value of the aforementioned quotas, taking into account in this case the economic-patrimonial situation of the entity. The pecuniary sanction may possibly be reduced by half if the crime was committed in the exclusive interest of the perpetrator or of third parties, or the entity has derived minimal advantage from it and the pecuniary damage is considered particularly minor; the sanction is also reduced by a third if the entity, before the opening of proceedings, has adopted Model 231 and has fully compensated for the damage caused by eliminating the harmful or dangerous consequences or has efficiently worked in this direction.

Disqualification sanctions envisaged are listed in Article 9, Paragraph 2, of Decree 231 include:

- disqualification from exercising activity;
- the suspension or revocation of authorisations, licenses or concessions functional to the commission of the offence;
- the ban on contracting with Public Administrations, except to obtain the performance of a public service;
- the exclusion from facilitations, loans, contributions or subsidies and the possible revocation of those already granted;
- the ban on advertising goods or services;
- publication of the sentence and confiscation.

### **1.4 CONDITIONS EXEMPTING FROM ADMINISTRATIVE LIABILITY**

If the offense was committed by persons who hold representation, administration or management functions in the entity or one of its organizational units with financial and functional autonomy, as well as by persons who exercise, even de facto, management and control, or by persons subject to the management or supervision of one of these subjects, the entity is not liable if it proves that:

- a) the management body has adopted and effectively implemented, before the crime was committed, organizational and management models suitable for preventing crimes of the type that occurred;
- b) the task of supervising the functioning and observance of the models and taking care of their updating has been entrusted to a body of the entity with independent powers of initiative and control;
- c) the persons committed the crime by fraudulently eluding the organization and management models;

- d) there has been no omission or insufficient supervision by the body referred to in letter b).

In relation to the extension of the delegated powers and the risk of committing offences, the models referred to in Letter a), of Paragraph 1, must meet the following requirements:

- a) identify such activities in which crimes may be committed;
- b) envisage specific protocols aimed at planning the formation and implementation of the entity's decisions in relation to crimes to be prevented;
- c) identify ways of managing financial resources suitable for preventing the carrying out of crimes;
- d) provide information obligations towards the body in charge of supervising the functioning and observance of the models;
- e) introduce a disciplinary system suitable for sanctioning failure to comply with the measures indicated in the model.

## **1.5 VIOLATIONS COMMITTED ABROAD**

As far as the territorial scope of application is concerned, Article 4 of Decree 231 establishes that in the cases and under the conditions set out in Articles 7, 8, 9 and 10 of the Penal Code, those entities with their head offices in the territory of the state are liable also in relation to crimes committed abroad, provided that the state in which the crime was committed does not proceed against them, ensuring that the liability of the entities does not terminate at national borders, but also extends to crimes committed abroad.

Therefore, the entity is liable to prosecution when:

- the main office where administrative and management activities are carried out is in Italy, possibly also different from the one where the company or registered office is located (entities with legal personality), or the place where activities are carried out on an ongoing basis (entities without legal personality);
- the State where the offense was committed is not proceeding against the entity;
- the request of the Minister of Justice also refers to the entity itself.

These rules concern crimes committed entirely abroad by top managers or subordinates. For criminal conduct that took place even partially in Italy, the principle of territoriality pursuant to Art. 6 of the Penal Code applies, by virtue of which “the crime is considered to be committed in the territory of the State, when the action or omission which constitutes it took place there, in whole or in part, or the event occurred there which is the consequence of the act or omission”.



## **2. THE COMPANY AND ITS INTERNAL CONTROL SYSTEM**

### **2.1 PREMISE**

HRIT Srl (defined in this document as HRIT or the Company) was incorporated on 19<sup>th</sup> November, 2008, while registration in the Rome business register dates to 1<sup>st</sup> December, 2008.

On 25<sup>th</sup> February, 2009 HRIT began to carry out activities, specifically providing the following services:

Employment consultancy to include:

- consultancy and support in operations relating to the hiring or dismissal of personnel, carrying out procedures with the relevant bodies, choosing the most suitable contractual framework;
- management of relations between companies and institutional bodies, such as INPS, INAIL and other social security bodies, the Inland Revenue Agency, the Provincial Labor Directorate;
- protecting the company's interests with respect to the requests of Labor Inspectors and interfacing with them;
- labor law consultancy.

Personnel data processing, to include:

- payroll processing;
- final reporting of personnel costs.

Business administrative services, to include:

- administrative services relating to payments on behalf of the client;
- business services relating to the management of a workforce in the national territory..
- With a view to continuous improvement, HRIT aims to carry out its business with constant attention to the quality of the services offered.

HRIT is made up of a team of experts who operate in compliance with the applicable legislation and the protection of the interests of all interested parties. The Company's objective is to provide personalized professional assistance to international organizations that start or consolidate their activities in Italy and to managers who move with them. Specifically, HRIT works with international providers specialized in payroll outsourcing on a global level and in ancillary personnel management services.

### **2.2 THE CORPORATE GOVERNANCE SYSTEM**

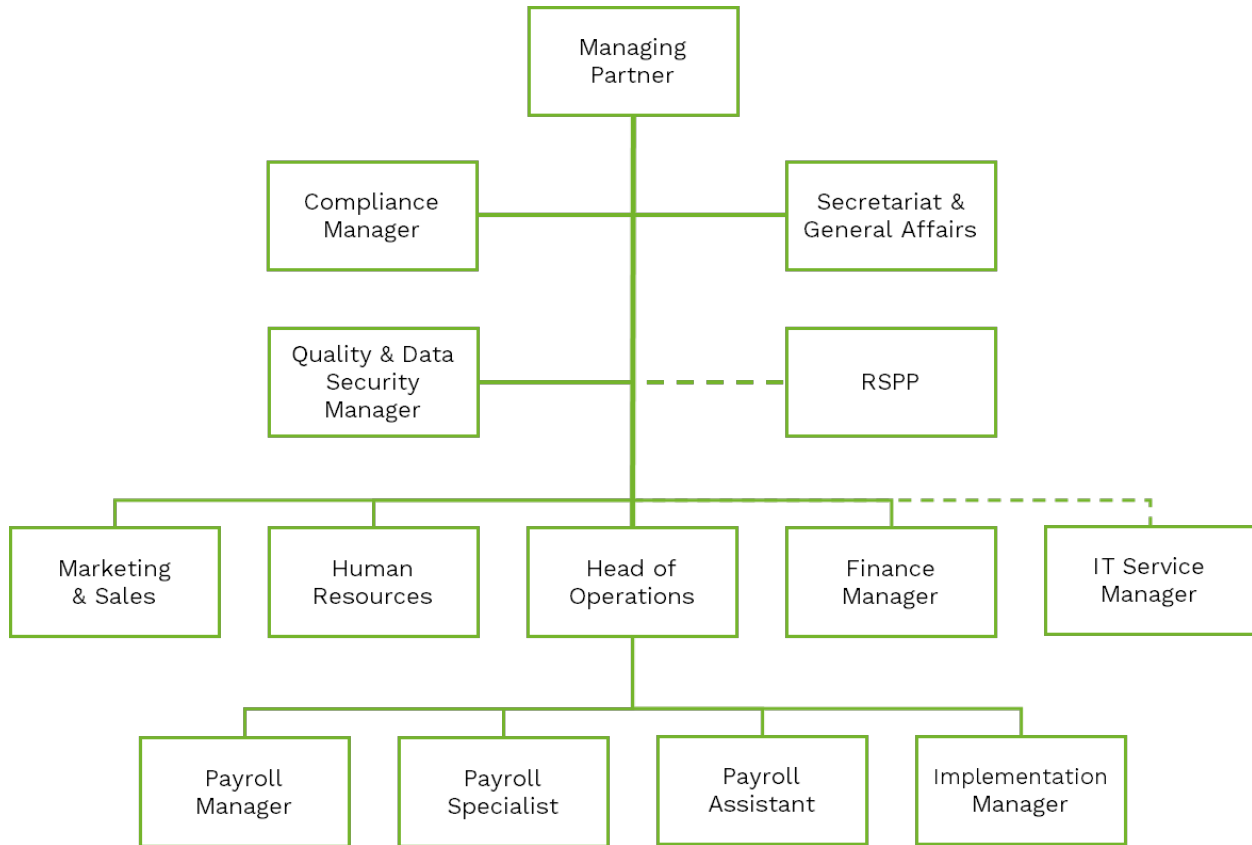
The corporate governance system adopted by HRIT complies with the principles contained within the Civil Code for limited liability companies (Title V, Chapter VII).

The directors of HRIT are assigned, with separate signatures, all powers of ordinary and extraordinary administration and representation of the Company.

Currently, the company's share capital is divided 50% between the two partners, Luca Aniasi and Marco Leonetti. Both shareholders are also directors of the Company, since the date of its establishment.

HRIT has a functional organizational structure, based on the division of corporate activities into functions.

A functional organizational chart was therefore prepared for the definition of corporate hierarchies:

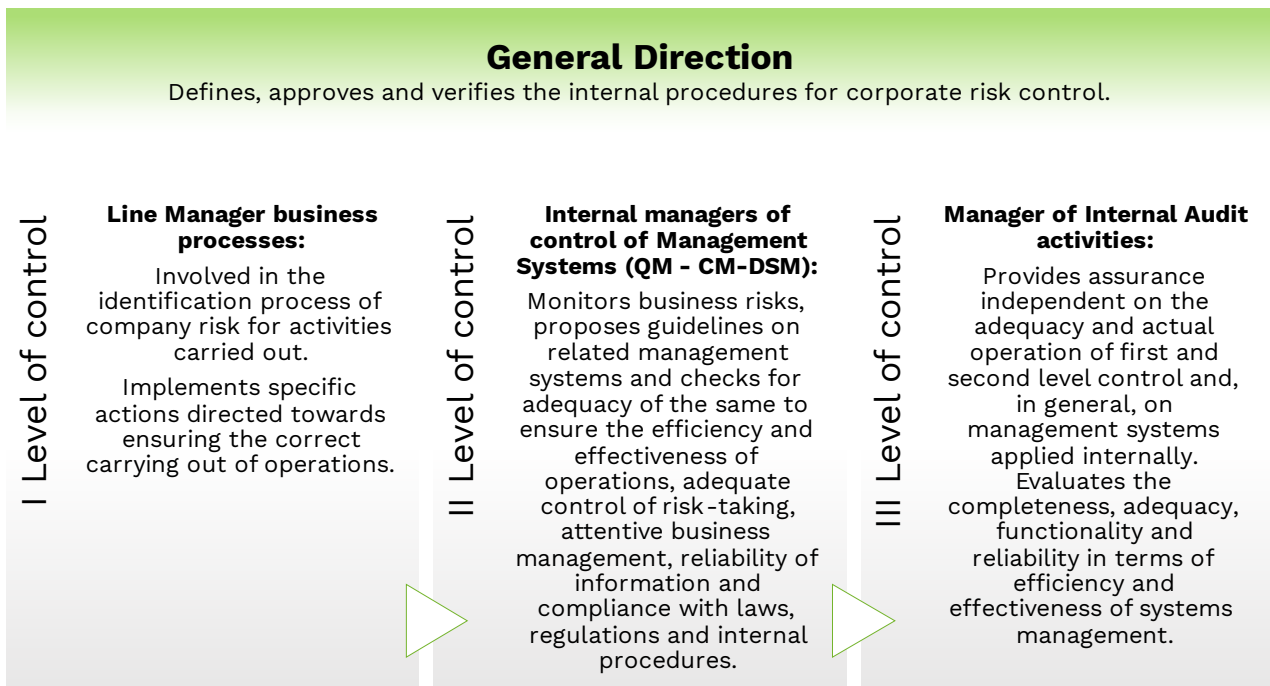


## 2.3 THE HRIT INTERNAL CONTROL SYSTEM

HRIT has three autonomous internal Management Systems, designed and implemented according to the ISO 9001, ISO 27001 and ISO 37001 standards. The presence of three Management Systems has allowed the organization to have an internal control across in three different areas: the quality of services offered, data security and the prevention of corruption.

The implementation of the three Management Systems has made it possible to set up appropriate control activities and to identify related managers. Indeed, the certified Management Systems are based on specific risk analysis activities for individual processes. This analysis appears to be integrated and complementary with this Model 231.

The Internal Control System of HRIT is made up of:



Furthermore, the Company annually carries out third-party audits with a specific control function for the management systems applied. The audit activity by a third party has the purpose of validating those control activities carried out for Management Systems.

In addition to the management systems according to international standards such as ISO 9001, ISO 27001 and ISO 37001, the Company plans to have further specific control activities for corporate compliance such as:

- Appointment of a Head for the prevention of health and safety risks according to Legislative Decree 81/08, to improve on the required obligations;
- Appointment of a System Administrator for IT data security compliance, with an active role in IT security control;
- Procedures on the subject of combating money laundering and terrorist financing which provides for the centralization of guidance, coordination and implementation of strategies and policies on the subject, through compliance with the provisions of Anti-money laundering legislation;
- Procedures for compliance with the European Data Protection Regulation (EU Regulation 2016/679, "General Data Protection Regulation" - GDPR)

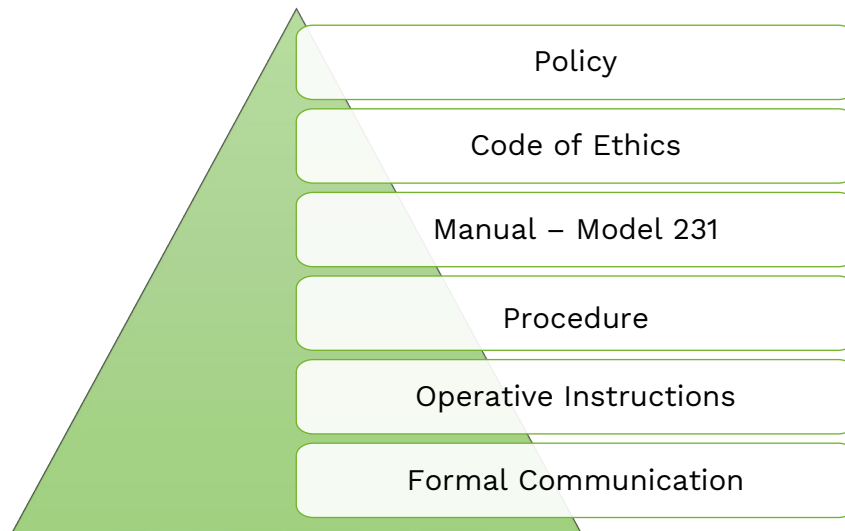
## 2.4 THE COMPANY REGULATORY SYSTEM

HRIT has a range of descriptive documents covering company activities that form the Company Regulatory System (hereinafter "SNA"), for the purpose of regulating such activities.

Each document describing company activities is drawn up by a specific figure and subsequently verified and approved by General Management. The Company, as required by the Quality Management System, undertakes to consistently provide clear identification and traceability of internal documents. Consequently, also for those

documents that make up Model 231, the clear identification and definition of the figures responsible for their approval and verification has been established.

The implementation of Model 231 and other management systems has created a series of internal regulations; for this reason it is necessary to establish a hierarchy between these corporate sources:



## 2.5 THE CODE OF ETHICS

The Code of Ethics has the purpose of controlling the behavior of the interested parties in terms of protecting the corporate image and mitigating the risk of committing the predicate offenses envisaged in Decree 231.

Given the wide range of actions of the provisions contained within the Code of Ethics, it is communicated to all interested parties, both internal and external, as well as inserted with a specific clause in contracts with customers.

The Code of Ethics, although independent from the 231 Model, appears to be integrated with the actions for the prevention of the predicate offenses of Decree 231. The Code of Ethics communicates to interested parties the principles and rules of conduct such as:

- compliance with the law;
- impartiality and fairness;
- respect and the valorisation of individuals;
- transparency and completeness in communication;
- confidentiality and quality;
- diligence and professionalism.

The Code of Ethics is consistent with the HRIT Policies for reducing the risks associated with corruption offenses and for data protection, as well as with the management's willingness and commitment to disseminate a culture of legality to all interested parties.

These Policies are the basis of the company's objectives and activities:

- Quality Policy, company commitment to comply with client requirements;
- Data Security Policy, expression of corporate activities carried out for the protection of data and information;

- Corruption Prevention Policy, declaration by the Company and Management in compliance with the legislation and the reduction of the risk of crime in the field of corruption, both between private individuals and towards the PA.

## **2.6 CENTRALIZATION AND OUTSOURCING OF ACTIVITIES**

In offering its services to clients, HRIT undertakes to carry them out with internal resources and not to outsource activities. The Company makes use of suppliers to support the activities offered, such as companies specialized in the supply of software and specialist consultancy.

IT process includes hardware maintenance and software management and is performed by an external company. Given the fundamental importance of this process, the company has established a precise system of control and delegation of powers. As an information security control tool, a Management System in compliance with ISO 27001 has been implemented.

For the selection of suppliers and for purchasing process, HRIT has foreseen various activities such as:

- Supplier due diligence activities;
- List of qualified suppliers;
- Division of tasks in the choice of suppliers and control in acceptance of products and services.

## **3. THE HRIT ORGANISATION, MANAGEMENT AND CONTROL MODEL**

### **3.1 THE PURPOSE OF MODEL 231**

HRIT has implemented this 231 Model with the aim of preventing the carrying out of violations attributable to Decree 231 (so-called predicate offences) by top management of the Company, or subjects under the management of others and to guarantee the appropriateness of the behavior of all those who operate on behalf of the Company.

Model 231 defines a system of rules, procedures and processes that cannot be circumvented except fraudulently.

According to the provisions of Art. 6, paragraph 2 of the Decree, the HRIT Model 231:

- a) identifies activities in which violations may be committed;
- b) envisages specific protocols aimed at planning the formation and implementation of the entity's decisions in relation to the crimes to be prevented;
- c) identifies ways of managing financial resources suitable for prevention of the carrying out of crimes;
- d) envisages information obligations vis-à-vis the body responsible for supervising the functioning and observance of the models;
- e) introduces a disciplinary system suitable for sanctioning failure to comply with the measures indicated in the model.

In preparing this document, the Company has considered both the provisions of Decree 231 and the jurisprudential guidelines on the question, as well as consolidated best

practices and, specifically, the “Guidelines for the development of organizational management and control models pursuant to Legislative Decree No. 231/01” of Confindustria Assoconsult.

The objectives of the implementation of Model 231 by HRIT are to:

- prohibit conduct that may lead to the commission of the predicate offenses referred to in Decree 231;
- disseminate awareness that the violation of Decree 231 and the provisions contained in Model 231 may result in the application of sanctions (pecuniary and/or disqualification) also against the Company;
- communicate a corporate culture based on legality, in the awareness of the express condemnation by HRIT of any behavior contrary to the law, regulations and, in particular, the provisions contained in the 231 Model, in the internal policies and in the Code of Ethics of HRIT;
- provide evidence of the existence of the clear attribution of powers, of the formation of decisions and controls, preventive and subsequent, on deeds and activities, as well as the correctness and truthfulness of internal and external information;
- allow the Company, thanks to a system of control measures and a constant monitoring action on the correct implementation of this system, to promptly prevent and combat the commission of relevant crimes pursuant to Decree 231.

### **3.2 RECIPIENTS**

The recipients of the provisions of Model 231 are considered to be the General Management, personnel and collaborators of HRIT, as well as all those who work to achieve the Company's purpose and objectives.

All recipients of Model 231 are required to comply with the provisions contained therein with the utmost diligence and its implementation procedures, as well as the Company's Code of Ethics.

Contracts regulating relations with third parties (suppliers and consultants) must include specific clauses that indicate clear responsibilities regarding the failure to comply with the Company's business policies, the Code of Ethics and the principles of Decree 231, as well as, if necessary, the obligation to comply with requests for information or the presentation of documents by the Company's Supervisory Body. These clauses must also provide for the possibility that the Company terminate said contractual relationships in the event of violations by third parties of the above obligations.

### **3.3 THE STRUCTURE OF MODEL 231**

The Model consists of a General Section and a Special Section.

The General Section describes the system of rules and principles of conduct relevant for the purposes of preventing the crimes referred to in Decree 231, applied in every area of the company, placed without distinction to oversee all functions and processes.

The General Section contains:

- a brief description of the legislation;
- the structure and governance of the Company and its Internal Control and Risk Management System;
- the purposes, recipients and fundamental elements of Model 231;
- the characteristics of the Supervisory Body;



- the sanctions envisaged in the event of violations of the provisions and rules contained in the 231 Model;
- personnel selection and training;
- regulates the procedures for disseminating and updating the 231 Model.

Furthermore, the Code of Ethics forms an integral part of the General Part of the 231 Model, which expresses the general principles and values which must inspire the activity of all those who, for whatever reason, operate on behalf of the Company.

The Special Section of Model 231 describes:

- the types of crime hypothetically relevant to the Company;
- sensitive corporate activities in the context of which significant crimes pursuant to Decree 231 could be committed;
- concrete behaviors that could lead to the commission of offenses involving the application, against HRIT, of the sanctions provided for by Decree 231;
- the measures established for the specific purpose of preventing the commission of such offences.

The final objective of the Special Section is, therefore, the description of the structured set of application rules and practices that govern corporate processes, constituting a system that cannot be circumvented except fraudulently (materializing in this case, the exemption from liability of referred to in Article 6, paragraph 1, letter c of the Decree).

The constituent elements of those types of crimes deemed to be of no relevance are also reported, in order to allow in any case all recipients to have knowledge of them and to be able to assess their possible "supervening" relevance (in terms of risk of committing one of these crimes), which must be communicated to the Supervisory Body.

The Special Section is completed by the "Risk Activity Identification Matrix" (so-called MIAR), in which sensitive processes are identified, and the Risk Assessment in which, for each corporate process, the risks of crime and the controls adopted by the Company to prevent them.

### **3.4 ASSUMPTIONS OF MODEL 231**

In preparing the 231 Model, the Company took into account its own Management Systems, in order to verify their ability to prevent the types of crimes envisaged by Decree 231 in the activities identified at risk.

The HRIT Model 231 is based on the following elements:

- integrity and values that inspire Company choices;
- clear and formalized organizational system in the attribution of powers and responsibilities, in accordance with the achievement of the assigned objectives;
- identification, assessment and management of risks that could compromise the achievement of corporate objectives;
- definition of company procedures that define strategies for mitigating the risks of committing predicate crimes;
- information systems to support both corporate processes and the overall management system;
- internal communication activities and staff training;
- monitoring systems to integrate line controls.

### **3.5 ELEMENTS OF MODEL 231**

The fundamental elements identified in Decree 231 and developed by HRIT in the definition of Model 231 are:

- analysis of the regulatory framework;
- identification and assessment of the risk of engaging in concrete behavior that could lead to the carrying out of the predicate crimes;
- identification of the processes and related company activities (so-called "sensitive activities") in the exercise of which the carrying out of predicate offenses is conceivable;
- definition of safeguards and preparation of procedures containing specific indications on the system of preventive controls in relation to the single types of predicate crimes;
- adoption of the ethical principles and rules of conduct integrated in the HRIT Code of Ethics and in the Model 231;
- appointment of a monocratic Supervisory Body which is assigned specific supervisory tasks on the efficient and effective application of Model 231, pursuant to Art. 6, Point b), of Decree 231;
- implementation of a sanctioning system aimed at guaranteeing the application of the 231 Model, with the provision of disciplinary provisions and the consequent sanctions applicable in the event of non-compliance with the protocols;
- information, dissemination, training and awareness for the purpose of increasing awareness of the contents of the 231 Model and of the rules of conduct;
- procedures for the adoption and effective application of Model 231 as well as for the necessary modifications or additions to the same.

### **3.6 IDENTIFICATION OF SENSITIVE ACTIVITIES**

Art. 6, paragraph 2, lett. a) of Decree 231 provides that in the implementation of Model 231 the entity identifies those sensitive corporate activities according to which the crimes referred to in Decree 231 may potentially be committed.

To this end, the Company carries out an in-depth and specific analysis (Risk Assessment), in order to identify the sensitive areas of activity and the functions responsible for them, taking into account a range of operating processes. In carrying out this analysis, both those activities which could materialize the risk of committing the predicate offenses and those which may be instrumental to it are of importance.

This risk analysis - the results of which feed into the "Risk Activity Identification Matrix: (the so-called MIAR) - is carried out by the Corruption Prevention Manager function, which submits it to the Supervisory Body for the assessment of any changes and/or additions to Model 231, taking into account both the inherent risk and the residual risk.

For the assessment of inherent risk, the combination of impact and probability is considered, assessed in qualitative terms as well as, where possible, in economic-quantitative terms (taking into account drivers such as fines, historical trends, reputational risk, significant losses, etc.). Considering the assessment of the safeguards that have been put in place to mitigate this risk, the residual risk is therefore calculated.

Following a specific gap analysis, the specific existing control elements are reported, as well as the definition of any initiatives to integrate and/or strengthen existing controls, and suitable regulatory instruments relating to activities at risk are implemented.

### **3.7 CONTROL PRINCIPLES**

The present Model identifies the control principles and rules of conduct set up to oversee the activities considered as sensitive, aimed at preventing the risk of committing the crimes envisaged by Decree 231 and structured as follows:

- general control principles, applicable to all sensitive activities identified by this Model;
- behavioral rules, i.e. specific rules governing the behavior to be followed in the management of sensitive activities;
- specific control principles, which envisage special provisions aimed at regulating the specific aspects of sensitive activities and which must be reflected in the reference corporate regulatory instruments.

#### **GENERAL CONTROL PRINCIPLES**

With reference to all sensitive activities, the following general control principles must be pursued:

##### **RULES OF CONDUCT:**

- definition of the general rules of conduct to oversee the activities carried out within specific codes of conduct and/or policies.

##### **DEFINITIONS OF ROLES AND RESPONSIBILITIES:**

- definition of the roles and responsibilities of the organizational structures at all levels, identifying, in a homogeneous manner, the specific activities of each structure within the internal regulation, made available within the organisation.

##### **PROTOCOLS AND INTERNAL RULES:**

- regulation of the various sensitive activities through company regulatory tools, so that at any time it is possible to identify the operating procedures for carrying out activities, the relative controls and the responsibilities of those who have operated;
- reconciliation of sensitive activities with the organizational responsibilities of corporate functions.

##### **SEGREGATION OF TASKS:**

- separation of duties and functions with distinction of role between those who execute and those who control and authorize.

##### **AUTHORIZATION AND SIGNATURE POWERS:**

- definition of a system of delegations within which there is a clear identification and a specific assignment of powers and limits to the subjects who operate by committing the company and expressing its will;
- identification, as part of the process of assigning proxies:
  - the organizational position that the delegate holds due to the specific area of operation of the delegation;
  - the express acceptance by the delegate or sub-delegate of the delegated functions and consequent assumption of the assigned obligations;
  - any spending limits attributed to the delegate;
- assignment of proxies according to the principles of:
  - decision-making autonomy of the delegate;

- technical-professional suitability of the delegate;
- autonomous availability of adequate resources for the task and continuity of services;
- internal publicity of assigned proxies.

#### **CONTROL AND TRACEABILITY ACTIVITIES:**

- formalization of the procedures for carrying out checks (responsibility, evidence, periodicity);
- adequate formalization of documentation relating to verification activities, also by inserting the date of compilation and the figures responsible for drafting, verifying and drafting;
- conservation of the same by the competent function in a suitable place to protect the confidentiality of the data contained therein and to avoid deterioration and loss;
- provision of adequate monitoring activities by the corporate functions, in line with their organizational responsibilities, maintaining evidence of any anomalies found.

#### **RULES OF CONDUCT**

All sensitive activities must be carried out in compliance with applicable laws, the Code of Ethics, HRIT policies and procedures. Furthermore, Model 231 within the Special Part identifies the specific rules of conduct required to prevent the commission of the predicate violations pursuant to Decree 231.

#### **SPECIFIC CONTROL PRINCIPLES**

The Special Part of Model 231 identifies the specific control principles set up to oversee the sensitive activities identified, with reference to each category of violation. These principles are implemented within company procedures so that they are implemented in the performance of the sensitive activities connected to them.

## **4. SUPERVISORY BODY**

### **4.1 IDENTIFICATION OF THE SUPERVISORY BODY**

As governed by Art. 6, Paragraph 1, of Decree 231, a Supervisory Body has been set up (also referred to as the SB in this document), endowed with both an independent power of control (which allows constant monitoring of the functioning of and compliance with the 231 Model), and the autonomous power of initiative, in order to guarantee the updating of the Model itself, ensuring its effective implementation.

The 231 Model provides for the appointment of a monocratic SB external to the Company, in such a way as to guarantee its autonomy of initiative and control powers.

Model 231, as implemented by HRIT provides that:

- the SB is independent of all the corporate bodies over which it is called to supervise;
- the member of the SB is not involved in management activities that are subject to control by the same Supervisory Body;
- the SB has financial autonomy;
- SB is not in any way involved in the exercise of operational activities, nor has operational tasks that could undermine its independence;
- the SB reports to the administrative body of the Company.

The Company establishes that members of the SB must possess proven experience and competence, as well as possess the necessary requisites of integrity, autonomy, professionalism, independence and continuity of action.

To guarantee the principle of continuity of action, the SB will have to carry out constant monitoring and updating of the 231 Model and be a constant point of reference for its Recipients.

The SB will be appointed by the administrative body of the Company, which determines its remuneration and the expenditure budget for carrying out the envisaged activities.

The SB remains in office for three years, regardless of the duration of the administrative body that appointed it; the member of the SB is irrevocable, except for just cause. The same ensures operational continuity by remaining in office until the appointment of a successor.

### **4.2 CAUSES OF INELIGIBILITY, FORFEITURE AND REVOCATION OF THE SUPERVISORY BODY**

The following constitute causes of ineligibility and forfeiture of the member of the SB:

- having performed the functions of executive director in the three years preceding the appointment as SB, in companies subject to bankruptcy, compulsory administrative liquidation or similar procedures;
- be the recipient of an investigation which orders judgment for the violations referred to in Decree 231, as well as for crimes of the same nature;
- be the recipient of an investigation which orders judgment for the violations referred to in Decree 231, as well as for crimes of the same nature;

- having received a conviction, even if not definitive, or the application of a penalty upon request (so-called plea bargaining), in Italy or abroad, in relation to the crimes referred to in Decree 231 or crimes of the same nature.

Reason for forfeiture of office as SB with immediate effect is the absence, during the three-year term of office, of the requisites that led to the identification of the member at the time of appointment.

Upon acceptance of the office, the member of the SB certifies the absence of causes of ineligibility and simultaneously undertakes to communicate the possible occurrence of causes for forfeiture.

On the other hand, the following constitute grounds for revocation of the member of the SB:

- the omitted or insufficient supervision by the SB established by a conviction, even if not final, issued against the Company pursuant to Decree 231, or by a sentence applying the penalty upon request (so-called plea agreement);
- serious non-fulfillment of the functions and/or duties of the SB or a violation of the Code of Ethics or the 231 Model.

The revocation is ordered with official communication also by pec from the Company.

In the event of forfeiture or revocation of the member of the SB, the Company has the task of promptly appointing a new member of the SB.

### **4.3 POWERS AND FUNCTIONS OF THE SUPERVISORY BODY**

To carry out its verification tasks, the SB can access, including through the company server, any company documentation and information deemed useful for carrying out the functions assigned to it. Furthermore, if necessary, the SB can carry out interviews with Company personnel in order to acquire further information.

The task of the SB is also carried out by verifying the activities carried out by the quality manager, the data security manager and the corruption prevention manager. The SB must be informed of all the results of any checks carried out, of any Non-Conformities identified and of the audit reports issued by the control bodies.

The SB has the task of monitoring organizational changes that may render the Model 231 ineffective. In this regard, the SB must inform Management of the presence of situations that make this Model inadequate.

The SB must have all the documents that make up the Model 231, the procedures, the delegations and the regulations present in the company. The availability of such information can take place either with the physical delivery of the documents or with access to the company server in which they are contained.

Management is to make all the infrastructures in its possession available to the SB for the performance of the tasks assigned to it. In order to carry out control activities, the SB may make use of external experts and professionals; for this activity there is an expense budget that the SB can utilize.

Activities carried out by the Supervisory Body must be formalized and the relative documentation must be kept in such a way that its secrecy is ensured.

The Supervisory Body must fulfill its duties with the professionalism and diligence required by the nature of the assignment.



The member of the Body is bound to secrecy with regard to the information acquired in the exercise of his/her duties, without prejudice to the information obligations expressly provided for by the Model; ensures the confidentiality of the data/documents it comes into possession of - with particular reference to reports that it may receive regarding alleged violations of the Model - and refrains from seeking and using confidential information for purposes other than those indicated by Art. 6 of Decree 231.

In any case, all information held by the member of the SB is treated in accordance with current legislation on the protection of personal data.

Failure to comply with the aforementioned obligations integrates a hypothesis of just cause for revocation of the member of the Supervisory Body.

The Supervisory Body meets periodically and, in any case, at least quarterly. Minutes are drawn up for each meeting.

Control activities can be modified and intensified according to specific reports or in the face of situations of risk for the violations contemplated by Decree 231. The Company must guarantee a constant flow of information to the SB. This Model 231 provides that the SB, given the routine activities carried out by the organization, can carry out random checks where appropriate.

For the purpose of implementing and updating the Model, the SB may also make use of external professionals - in compliance with the organization's procedures on the assignment of professional assignments - by informing Management in advance.

#### **4.4 REPORTING BY THE SUPERVISORY BODY TO THE MANAGEMENT**

The SB has the obligation to report on its work and on the information collected during the verification and control activities to Management only and not to other parties. In the specific case of HRIT, given the presence of two directors with the same powers and responsibilities, the SB must communicate information to both. Both verbal and e-mail communication is considered valid, whether ordinary or PEC.

The SB reports to Management if necessary and, in any case, with a specific annual report, on the results of activities carried out in the period in question.

The Supervisory Body presents, every year, the plan of activities for the following year to Management.

Management can, at any time, convene the SB in order to request information regarding the functioning and observance of the 231 Model and particular situations.

#### **4.5 INFORMATION FLOWS TO THE SUPERVISORY BODY**

The Supervisory Body must be informed, through specific reports from the subjects required to comply with the Model 231, regarding events that could give rise to the Company's liability pursuant to Decree 231 or have effects on the internal control system set up by the Company.

Information flows, both ordinary or extraordinary, can be periodic and functional to the control process, as they relate to sensitive activities, or "ad hoc" and related to cases indicative of specific existing risks.

To facilitate communication with the SB, a specific email box has been set up (odv@hrit.it), to which all recipients of the Model 231 can write. Specifically, the box is

managed only by the appointed SB, both to receive information as well as to communicate with Management. Access credentials are generated by HRIT and delivered to the SB.

Reports to the SB can be made not only by members of the Company bodies but also by employees, collaborators, suppliers and partners. The reports may relate to any news relating to the commission of crimes or the performance of acts suitable for their implementation, behavior not in line with the rules of conduct set forth in the Model 231 and any deficiencies in the organizational structure or procedures in force.

They must be sent in written and non-anonymous form to the HRIT SB which will guarantee the protection of whistleblowers against any act of retaliation or discrimination, direct or indirect, for reasons related to the report, ensuring the confidentiality of their identity, without prejudice to legal obligations and protection of the rights of the Company or of the persons involved. On this point, please refer to the provisions on Whistleblowing referred to in paragraph 4.6 below.

Sanctions are envisaged for those who violate the measures to protect the whistleblower, as well as for those who make reports of willful misconduct or gross negligence that turn out to be unfounded.

The Supervisory Body guarantees the confidentiality of the information which comes into its possession and the use of the same exclusively for the purposes referred to in Art. 6 of Legislative Decree no. 231/01 and in compliance with the legislation on the protection of personal data.

Furthermore, each corporate structure is required to report to the Supervisory Body in relation to any changes that may have occurred in the internal or external context and in particular:

- organizational changes;
- business changes and/or outsourcing of activities;
- procedural changes;
- introductions, eliminations or changes of sensitive processes;
- certification of sensitive process management systems.

The corporate areas in which sensitive activities are identified are required to periodically provide information and/or documents to the SB, according to pre-established methods and deadlines.

The Supervisory Body can assume, for its part, within the various corporate areas and processes, any information deemed useful for the purpose of supervision, so as to ensure the timely detection of any violations of the Model.

In addition to said information, "ad hoc" flows relating to:

- provisions and/or news from judicial police bodies or from any other authority, from which it can be inferred that investigations are being carried out, even against unknown persons, for the crimes referred to in Decree 231;
- requests for legal assistance submitted by executives and/or employees in the event of the initiation of legal proceedings for the crimes envisaged by Decree 231;
- disciplinary proceedings initiated in relation to reports of violations of Model 231;
- sanctions imposed;
- provisions for dismissal of these proceedings with the relative reasons.

## **4.6 REPORTING VIOLATIONS (WHISTLEBLOWING)**

As required by this Model 231 and by the Management System for the Prevention of Corruption, the Company has implemented a system for reporting violations which

employees, General Management and all third parties having relationships and business relationships with HRIT can freely use.

Employees have the option of sending punctual reports of unlawful and well-founded conduct, or violations of this Model 231 and/or of the Code of Ethics, of which they have become aware due to the functions performed.

The reporting activity must take place in compliance with the provisions of Law No. 179 of 30<sup>th</sup> November 2017 containing “Provisions for the protection of those who report crimes or irregularities” and governed by the Internal Procedure PDPC PWSII Whistleblowing Procedure for reporting offenses and irregularities.

The Company has adopted an internal control procedure PDPC PWSII Whistleblowing Procedure for reports of offenses and irregularities with related forms and instructions which it distributes to all personnel upon new recruitment and which can be found on the company server.

The operating procedures provide for the preparation of a dedicated e-mail box which can be accessed by the Corruption Prevention Manager who has the task of informing the SB of all the reports received. The assessment of the facts is the responsibility of the SB which can order the necessary investigations, also making use of the control functions present in the company. The results of investigations will be communicated to the General Management and to the Head of Corruption Prevention.

In accordance with current legislation and procedure, the Company guarantees absolute confidentiality. It is established that the identity of the whistleblower cannot be disclosed without his consent, except in the cases provided for by law.

HRIT undertakes to protect the whistleblower from retaliatory, discriminatory or penalizing actions for reasons related to the report made.

Sanctions are envisaged for those who violate the confidentiality of the whistleblower and for those who make unfounded reports.

The reports must be made in good faith and not anonymously, and must contain the useful elements to be able to carry out the checks and investigations necessary to evaluate their validity.

The criminal and civil liability of the whistleblower remains unaffected in the event of reports for purely defamatory or slanderous purposes.

HRIT has set up a specific email for reporting, [reporting@hrit.it](mailto:reporting@hrit.it), to which only the Compliance Manager and the SB have access. The content of the emails received must remain absolutely confidential.

## 5. THE PENALTY SYSTEM

### 5.1 PREMISE

The introduction of a disciplinary system, suitable for sanctioning failure to comply with the measures indicated in the Model 231 and in the Code of Ethics, constitutes a necessary condition for guaranteeing the effective implementation of the Model itself, as well as an essential prerequisite for allowing the Company to benefit from the exemption from administrative liability (pursuant to Article 6, paragraph 2, letter e) of Decree 231).

The sanctions provided for by this Model 231 apply regardless of the presence and outcome of criminal proceedings in cases where the violation integrates a predicate offense of Decree 231.

The applicable penalties vary according to:

- the nature of the relationship between the perpetrator of the violation and the Company;
- the significance and seriousness of the violation committed;
- the role and responsibility of the author of the violation;
- the degree of imprudence, inexperience, negligence, willful misconduct, fault or intentionality of the behavior relating to the action/omission;
- any possible recurrence;
- the work activity carried out by the interested party and the related functional position;
- of all the other particular circumstances that may have characterized the fact.

In general, violations can be traced to the following behaviors:

- a) violation of the provisions of Model 231 or of the procedures established for its implementation and of the Code of Ethics;
- b) drafting altered or untruthful documents;
- c) the facilitation, through omissive conduct, of the conduct referred to in points a) and b);
- d) failure to draft the documents required by Model 231 or by the procedures established for its implementation.

The sanctioning procedure is, in any case, managed by the General Management, which reports to the SB.

The sanctions divided by type of relationship between the person and the Company are shown below. What is described below is complementary to the “Regulation for the Prevention of Corruption” and the “Regulation on the Use of IT Tools by Company Users”, to which reference should be made for further examples/details.

### 5.2 SANCTIONS FOR EMPLOYEES

In relation to employees, the Company complies with the provisions of Art. 7 of Law no. 300/1970 (Workers' Statute) and the provisions contained in the applicable National Collective Labor Agreement, both with regard to the sanctions that can be imposed and the methods of exercising disciplinary power.

Non-compliance - by employees - with the provisions of the Model and/or the Code of Ethics, as well as with all the documentation that forms part of them, constitutes a

breach of the obligations deriving from the employment relationship pursuant to Art. 2104 of the Civil Code and disciplinary offence.

Upon news of a violation of the Model, a disciplinary action will be promoted aimed at ascertaining the violation itself, during which the employee will be notified of the charge and will be guaranteed a reasonable deadline for replying. Once the violation has been ascertained, a disciplinary sanction proportionate to the seriousness of the violation committed will be imposed on the perpetrator.

Employees may be assigned the sanctions provided for by the applicable National Collective Labor Agreement:

- verbal reprimand;
- written warning;
- fine not exceeding four hours' pay;
- suspension from work and from pay up to a maximum of ten days;
- dismissal with notice;
- dismissal without notice.

In order to highlight the correlation criteria between violations and disciplinary measures, it should be noted that:

- employees are to incur conservative disciplinary measures when:
  - violating the provisions contained in the Model 231 and in related documents, or adopts, in the performance of activities at risk, behavior that does not comply with the provisions contained in the Model itself, having to recognize in this behavior a failure to execute the orders given by the Company;
- employees are to incur, on the other hand, decisive disciplinary measures when:
  - adopting, in carrying out activities at risk, behavior that does not comply with the provisions contained within Model 231 and related documents, having to recognize in such behavior a lack of discipline and diligence in the fulfillment of one's contractual obligations so serious as to damage the trust of the Company towards the employee;
  - adopting, in carrying out activities at risk, behavior that is clearly in contrast with the provisions contained in the Model and related documents, such as to determine the concrete application against the Company of the measures envisaged by Decree 231, constituting an act which causes serious moral and material harm to the Company which does not allow the continuation of employment relationship, even temporarily.

The Company may not adopt any disciplinary measure against an employee without complying with the procedures set out in the CCNL applicable to the individual case.

The principles of correlation and proportionality between the violation committed and the sanction imposed are guaranteed by compliance with the following criteria:

- seriousness of the violation committed;
- job, role, responsibility and autonomy of the employee;
- predictability of the event;
- intentionality of the behavior or degree of negligence, imprudence or inexperience;
- overall behavior of the perpetrator of the violation, with regard to the existence or otherwise of disciplinary precedents in the terms established by the applicable National Collective Labor Agreement;
- concurrence, in the violation committed, of several workers in agreement with each other;
- other particular circumstances that characterize the violation.

It is understood that all the provisions and guarantees envisaged by the CCNL regarding disciplinary procedure will be followed and, in particular, it will respect:

- the obligation of prior notification of the charge to the employee with indication of the facts constituting the infringement and the term from receipt of the notification by which the employee may present their justifications and the hearing of the latter regarding their defence;
- the obligation not to adopt disciplinary measures, if more serious than a verbal reprimand, before the minimum term established by Art. 7 of the Workers' Statute has elapsed from the written notification of the charge, during which the employee may present their justifications;
- the employee can also present his justifications verbally, with the possible assistance of a representative of the trade union association to which he adheres or grants a mandate, or a member of the RSU;
- the obligation to communicate the adoption of the disciplinary measure in writing within and no later than the maximum terms established by the respective CCNLs from the expiry of the term assigned to the employee for the presentation of his justifications. Otherwise, the disciplinary procedure is defined by archiving.

The existence of a system of sanctions connected to the non-compliance with the provisions contained in the Model and related documentation, must necessarily be brought to the attention of employees through the means deemed most suitable by the Company.

### **5.3 SANCTIONS FOR MANAGERS**

In the event of a breach by managers of the internal procedures set out in this Model or in the event of behavior that does not comply with the provisions of the Model itself, the appropriate measures will be applied against those responsible in accordance with the provisions of the National Collective Bargaining Agreement for executives of companies producing goods and services. In the case that the violation is such as to break relationships of trust, the sanction is identified via dismissal for just cause.

### **5.4 MEASURES AGAINST ADMINISTRATORS**

The SB is to inform the General Management of reports concerning violations of Model 231 or of the Code of Ethics by one of the Directors that have not been deemed manifestly unfounded.

In the event of a violation of Model 231 by one of the Directors, the SB will take the appropriate measures including, for example, summoning shareholders in order to adopt the most suitable measures provided for by law and/or revoking any proxies provided to the administrator. Article 2476 of the Civil Code also applies.

### **5.5 MEASURES AGAINST THE MEMBERS OF THE SB**

In the event of violations of Model 231 or of the Code of Ethics by the SB, the General Management, after notifying the violation and acknowledging any defensive arguments put forward, are to take the appropriate measures including, for example, the revocation of the assignment.



## **5.6 MEASURES AGAINST SUPPLIERS, COLLABORATORS, PARTNERS AND CONSULTANTS**

The violation by collaborators external to the Company, partners, suppliers of goods and services and consultants, of the rules established by Decree 231 and/or of specific clauses on the rules of conduct of the company - defined in line with the Code of Ethics and contained in each contract in which the Company is a party - may cause termination of the contract; the violation must therefore be reported, without delay and by those detecting it, in accordance with internal provisions.

The termination of the contract entails the assessment of any damages that the Company may have suffered and the consequent actions of compensation for the consequences of such behaviour, including any damages caused by the application of the measures envisaged by Decree 231 by a Judge.

The aforementioned provisions also apply in the event of violation of the Whistleblowing provisions as set out in the present Organizational Model in paragraph 4.6, in accordance with Law no. 179/2017 governing the institute which establishes that in the aforementioned disciplinary system, sanctions must be expressly provided for against those violating the protection measures of the whistleblower, as well as those reporting with malice or gross negligence that subsequently turn out to be unfounded (Art. 6, paragraph 2-bis, letter d) of Legislative Decree 231/2001).

## **6. SELECTION AND TRAINING OF PERSONNEL AND DISSEMINATION OF THE MODEL**

HRIT has set up a specific personnel assessment procedure during the selection phase which takes into account company needs in relation to the Management Systems and the application of Decree 231.

In order to promote a corporate culture inspired by respect for legality and transparency, HRIT ensures the wide dissemination of Model 231 and effective knowledge of the same by all those required to be familiar with its contents, with a different degree of detail in relation to the level of involvement in sensitive processes of resources and the degree of responsibility towards the Company (e.g. representation functions).

Training is monitored by the Compliance Manager and the SB in order to ensure that all Recipients participate. Furthermore, the Compliance Manager, jointly with the SB, constantly evaluates any training needs deriving from the update of the Model 231 and any other relevant aspects connected to reference legislation.

The Company is to prepare a training plan every year for its employees and senior management for the purpose of fully acquiring the contents of the Model 231.

Participation in training sessions is mandatory.

Furthermore, the delivery of the Code of Ethics, the Corruption Prevention Policy and the related Regulations is to be carried out simultaneously with the hiring of new resources, together with any additional information, including specific training on the adoption of the Model 231 by the Company.

A copy of Model 231 - as well as a copy of any modifications and updates that have taken place - is also delivered to Directors, the SB, each employee and each person required to comply with the provisions of the Model 231.

External subjects who maintain contractual relationships of any kind with the Company are to be informed, through specific contractual clauses, that HRIT has adopted a Model 231 and related procedures, as well as a Code of Ethics and the Corruption Prevention Policy.

Finally, a copy of Model 231, in electronic format, is uploaded to the company server in order to allow regular consultation by employees. Only the General Part is published on the Company's website in order to make it available to all interested parties.

## 7. MODEL 231 UPDATES

The verification of the updating and effective implementation of Model 231 is the responsibility of General Management, in order to allow continuous compliance with the Model 231, the provisions of Decree 231 and with any changing conditions to Company structure.

The task of supervising the functioning and observance of Model 231 is entrusted to the SB, in the exercise of the control powers granted to it on the activities carried out by the individual corporate functions in the areas at risk. Furthermore, the Supervisory Body has the task of updating the Model 231 and can therefore make proposals for updating the Model 231 or the individual corporate procedures that regulate sensitive processes.

In any case, Model 231 must be promptly amended and supplemented when the following are identified:

- significant violations of the provisions contained therein which have highlighted its ineffectiveness or inconsistency for the purposes of crime prevention;
- significant changes to the internal structure of the Company or to methods for carrying out business activities;
- regulatory changes and jurisprudential evolutions.

Modifications, updates and additions to the Model must always be communicated to the SB.