



ORGANISATION, MANAGEMENT, AND CONTROL MODEL PURSUANT TO LAW DECREE 231/2001 DISCIPLINARY SYSTEM

LIST OF REVISIONS

REV.	DATE	NATURE OF AMENDMENTS	APPROVAL
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1. FOREWORD

The Disciplinary System suited to sanction any failure to comply with the Organisation and Management Model and the Code of Ethics is to be considered an indispensable element of the Model and a tool to ensure its effective implementation.

In this respect, Art. 6, paragraph 2, letter e) of Legislative Decree 231/01 provides that the Organisation and Management Model must "introduce a Disciplinary System suited to sanction any failure to comply with the measures indicated in the Model."

Even Art. 7, paragraph 4, letter b) of the Decree establishes that the effective implementation of the Model requires "a Disciplinary System to sanction any failure to comply with the measures indicated in the Model."

FMI Spa has built its own Disciplinary System, reported in this document, based on the discipline of the articles mentioned above, of the court rulings and on the indications provided by the Confindustria Guidelines.

The Disciplinary System has been spread to all sorts of job providers and is made known through posting on company notice boards.

1.1 | MAIN REFERENCE TO STANDARDS IN DISCIPLINARY SYSTEM

- regulatory standards: in particular Art. 7 of Law 300/70 (the Workers' Statute), Art. 2104 of the Civil Code (diligence of the employee), Article 2105 of the Civil Code (duty of loyalty), Article. 2106 of the Civil Code (Disciplinary action) art. 2118 of the Civil Code (withdrawal from the contract) and Article. 2119 of the Civil Code (termination for right cause);
- provisions of the collective agreement: the National Collective Contract for Rubber and Plastic;
- Art. 1176 of the Civil Code (diligence for the fulfilment), 1218 of the Civil Code (responsibility of the debtor) and 1456 (termination clause);
- Art. 1382 of the Civil Code (effects of the penalty clause) and Art. 1456 (termination clause).

The sanctions provided for in the Disciplinary System, an integral part of the Organisation, Management and Control Model, have the same disciplinary nature of the provisions of Art. 7 of the Workers' Statute and of the disciplinary sanctions provided for by the National Collective Bargaining Agreements of reference.



1.2 | PRINCIPLES OF THE DISCIPLINARY SYSTEM

The Disciplinary System has a preventive function, failure to comply with the Model and with the Code of Ethics involves the activation of an internal, timely and immediate disciplinary mechanism by the company.

The application of disciplinary measures takes place regardless of the outcome of any criminal proceedings, in order to counter any prodromal behaviour for committing crimes pursuant to Legislative Decree 231/01.

The identification of the fine takes place according to the principle of appropriateness and proportionality and in relation to the seriousness of the offense or, anyway, to the violation committed and ensuring, in the cases provided by law and by the collective work agreement, the involvement of the person concerned with the possibility of justifying their behaviour subsequent to the notification of the charges and also through the right to be assisted by a representative from the union to which they belong or to which they assign the mandate.

1.3 CONTENT AND RECIPIENTS OF THE DISCIPLINARY CODE

The FMI Spa Disciplinary System contains:

- the facts that are deemed as disciplinary relevant;
- the relative sanctions in line with the rules of law and the National Collective Bargaining Agreements;
- the claim procedures and the application of sanctions.

The sanctions identified with this Disciplinary System shall apply, with specific aspects, to:

- employees (who are not executive managers);
- executive managers;
- Sole Administrators;
- members of the Board of Auditors;
- external entities acting on behalf of the company (self-employed workers, contractual workers, suppliers, professionals, etc.).

2. APPLICABLE MEASURES



2.1 EMPLOYEES (EXECUTIVES, OFFICE CLERKS AND WORKERS)

The penalties towards the employees (executives, office workers and workers), in accordance with the Civil Code, of the procedures referred to in Article 7 of Law 300 dated 30 May 1970 (Workers' Statute) and Articles 53, 54 and 55 of the National Collective Bargaining Agreements and subsequent amendments, shall be:

- **a verbal warning;**
- **a written warning;**
- **a fine up to the amount of 3 hours of pay and cost of living allowance;**
- **suspension from work up to three days;**
- **dismissal for misconduct.**

To supplement conducts already reported in the National Collective Bargaining Agreements, the procedures are punishable, under this Disciplinary System and in compliance with the Civil Code, referred to in Article 7 of Law 300 dated 30 May 1970 (Workers' Statute) and Articles 53, 54 and 55 of the National Collective Bargaining Agreements of reference and their subsequent amendments, the following conducts:

- **non-observance of the procedures, protocols (general and specific), of the regulations provided and recalled in the Model directed to implement the decisions and the setting up of the company in relation to the crimes to be prevented**
- **failure to comply with the principles and rules of conduct in the Code of Ethics adopted by the company;**
- **failure to fulfill the obligations under Article. 20 of Legislative Decree 81/08 on safety and health in the workplace;**
- **obstacle or circumvention of the Supervisory Board, prevention of the access to information and documents towards the entities appointed to the controls;**
- **failure to give notice to the Supervisory Board as well as the management body concerning information flows specified in the Model;**
- Failure to report the non-fulfilments or irregularities committed by other employees and by the top management.

The evaluation and the choice of the sanction to be imposed among those possible provided must consider the seriousness of the conducts and possible recurrence of the behaviour, because reiterate a behaviour over time is a sign of the seriousness of the violation.

The dispute, that shall give rise to the application of different sanctions from the simple verbal warning, must necessarily be in writing, in order to ensure the traceability of the application in the system and precedents for the sanctioned party.



2.2 MANAGERS

In compliance with the law and, in particular, with the Civil Code, Article 7 of Law 300 dated 30 May 1970 (Workers' Statute) and the National Collective Bargaining Agreements and subsequent amendments, the most appropriate measures may be applied to the manager or other person in a senior position in accordance with the National Collective Bargaining Agreements of reference and penalties provided for employees.

Sanctions and any request for damages, pursuant to articles 1176 and 1218 and following of the Civil Code, shall be commensurate to the level of responsibility and autonomy of the manager, the existence of any previous disciplinary procedure charged to the person, to the intentional behaviour, as well as to its seriousness, meaning the level of risk to which the company can reasonably be deemed as being exposed to by means and effects of Legislative Decree. 231/2001, following the sanctionable conduct.

The sanctionable conducts are the same attributable to the employees specified in the previous paragraph.

The assessment and the choice of the sanction to impose among those possible must take into account the severity and recurrence of the conducts. The reiteration of the conduct described above is a symptom of the greater seriousness of the violation.

2.3 DIRECTORS AND AUDITORS

Administrators and auditors could be charged with the following sanctions in proportion to the seriousness of the offense:

- verbal warning;
- written warning;
- dismissal for right cause.

In accordance with the provisions of the Civil Code, the penalty to be provided for the most serious infringements, i.e. those that impair the fiduciary relationship with the Director or Auditor, are identified in the dismissal for right cause provided for in Articles 2383, paragraph 3, and 2400, paragraph 2.

The disciplinary powers towards the directors and auditors is entrusted to the Shareholders' Meeting that, in accordance with the rules of the Civil Code and the Company Statute and following amendments, is called to decide on the possible revoke or liability action towards them.

The sanctionable conducts are the same as those attributable to the employees specified in paragraph 2.1.



The assessment and choice of the sanction to impose among those possible must take into account the severity and reiteration of the conducts. The recurrence of the conduct described above is a symptom of the greater seriousness of the violation.

2.4 EXTERNAL SUBJECTS (SELF-EMPLOYED, CONTRACTORS, SUPPLIERS)

If the conduct in violation of the Model or Code of Ethics were made by self-employed workers, suppliers or other entities operating under contracts on behalf of FMI Spa, the only applicable provision is the resolution of the former Article 1456 of the Civil Code.

Towards these entities there is no disciplinary power by the company's leaders, except for power of the latter to intervene on the basis of the Contract abiding by the contractual arrangements provided in the Civil Code.

The sanctions need to correspond to the contractual clauses and applicable laws on the specific matters of each relationship (termination clauses that expressly refer to the compliance with the provisions of the Model and Code of Ethics).

3. INVESTIGATION AND ENFORCEMENT OF PENALTIES

Upon the news of a conduct that is contrary to the provisions of the Model and/or Code of Ethics, the Supervisory Body (SB) proceeds by opening a preliminary investigation phase aimed at verifying the truthfulness or validity of these violations detected directly or reported by third parties.

The Supervisory Board examines all reports in order to verify the validity of the news. In the preliminary investigation phase, the SB may request information, documents, and data to the various company's offices. Upon completing the preliminary stage, the SB receives its assessments on whether there is an infringement, on their causes and on any need for corrective actions on the Model.

For the person who committed the offense, the SB sends the result of the investigation to the following offices:

- In case of violations committed by employees, to the Sole Director who starts the procedure to impose the sanction;
- In the case of violations by the Sole Director and the Board of Auditors, to the Shareholders' Meeting for the scope of the specific resolutions;
- In case of violations committed by external parties, to the Sole Director who starts the procedure to impose the penalty provided in paragraph 2.4.