



**CODE OF CONDUCT  
FOR THE MANAGEMENT OF RELATIONS  
WITH PUBLIC AUTHORITIES  
AND  
THIRD PARTIES**

Approved by the Board of Directors of Reno De Medici S.p.A. with resolution of February 14<sup>th</sup>, 2020

## CONTENTS

<b>1. Definitions.....</b>	<b>3</b>
<b>2. Purpose.....</b>	<b>3</b>
<b>3. Scope of application .....</b>	<b>4</b>
<b>4. General principles for implementation of the Code .....</b>	<b>5</b>
<b>5. What is corruption?.....</b>	<b>5</b>
<b>6. Prohibitions and behaviours to be observed in relations with Public Authorities .....</b>	<b>6</b>
<b>7. Prohibitions and behaviours to be observed in relations with Third Parties.....</b>	<b>9</b>
<i>7.1 Conduct to be observed in the event of extraordinary transactions.....</i>	<i>10</i>
<b>8. Gifts, hospitality, entertainment and travel expenses management policy .....</b>	<b>11</b>
<b>9. Financing of political candidates or parties .....</b>	<b>14</b>
<b>10. Accounting books and records.....</b>	<b>14</b>
<b>11. Reporting .....</b>	<b>14</b>
<b>12. Annex A.....</b>	<b>16</b>

## 1. DEFINITIONS

**RDM Group/Gruppo RDM:** Reno De Medici S.p.A. and all the subsidiaries that make up the Group.

**Reno De Medici/Parent Company:** Reno De Medici S.p.A.

**Code of Conduct/Code:** this edition of the Code of Conduct for the Management of Relations with Public Authorities and Third Parties.

**Employee/Employees:** an employee/all employees or contracted staff who carry out assignments for the RDM Group.

**Supervisory Body:** the Supervisory Body of Reno De Medici S.p.A.

**Public Official:** a person who exercises a legislative, judicial or administrative public function. An administrative public function is usually recognised as being exercised by persons forming or contributing to the formation of the will of the public body or who in any case represent it in respect of third parties, and persons with powers of authorisation or certification. This category therefore includes political parties and party leaders; candidates for public office; managers and employees of state-owned companies or companies in which the state has a stake; anyone acting on behalf of any of these officials; any party holding legislative, administrative or judicial office and all officials of any international public organisation (e.g. UN, International Patent Office, European Investment Bank, European Commission, customs agency, tax recovery agencies, municipalities, etc.).

**Representative(s):** parties external to the RDM Group Companies that act, in any capacity, in the name and/or on behalf of the RDM Group, within the limits of their mandate or responsibilities. This category includes sales agents/agencies, insurance brokers, intermediaries and consultants (both natural persons and legal entities).

**Third Parties:** all parties that work with the RDM Group to perform works and/or services for the RDM Group. This category includes customers, suppliers and stakeholders in general.

## 2. PURPOSE

This Code of Conduct is based on the ethical principles of transparency, correctness and professionalism already referred to in the Code of Ethics of the RDM Group, adopted in 2008 and subsequently updated in 2013 and 2019.

The purpose of the Code is to outline the general principles, rules of conduct, control safeguards and conduct prohibited in the performance of the Group's activities in order to prevent, repress and report any breaches of the rules governing corruption and any other type of fraud within its scope.

The RDM Group does not tolerate any form of corruption and undertakes with its Directors, Employees and Representatives of the RDM Group appointed for the purpose to comply with the anti-corruption laws in force in all the countries in which it operates, in order to:

- manage relations with national or foreign Public Authorities, including any requests for documents/information and inspections by Public Officials at the registered offices and/or business units of the RDM Group Companies;
- manage relations with Third Parties, including in particular circumstances such as acquisitions, mergers and joint ventures;
- manage procedures for receiving and offering gifts and hospitality and the provision of free goods and services for promotional or public relations purposes;
- manage the ways in which donations are made and sponsorships provided.

The Code is drawn up in accordance with both national<sup>1</sup> and international regulations and internationally recognised best practices<sup>2</sup>.

### **3. SCOPE OF APPLICATION**

This Code of Conduct applies to Reno De Medici and its Subsidiaries, and specifically to the following persons:

- all Employees and Representatives of the RDM Group Companies who carry out activities with and on behalf of the RDM Group, whether directly employed by the Company in question or not, and in all countries in which it operates.

The aforesaid persons to whom the Code applies are required to comply with and be aware of the contents of this Code of Conduct and the applicable regulations in each jurisdiction in which they operate on behalf of the RDM Group.

This Code of Conduct is formally adopted by the RDM Group Companies.

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<sup>1</sup> Reference is made to the rules of the countries in which the RDM Group Companies operate.

<sup>2</sup> Reference is made to:

- International standards: (i) Foreign Corrupt Practices Act (“FCPA”, US 1977), (ii) Bribery Act (UK, 2010);
- International conventions: (i) OECD Convention on Combating Bribery of Foreign Public Officials in International Business Transactions” (Paris, 1997), (ii) “Criminal Law Convention on Corruption” (Council of Europe, Strasbourg, 1999) and (iii) “United Nations Convention Against Corruption” (Merida, 2003), all ratified by the Italian legal system.

#### **4. GENERAL PRINCIPLES FOR IMPLEMENTATION OF THE CODE**

The RDM Group adopts, implements and requires the observance and implementation of the following general principles in order to comply with this Code of Conduct:

- Defined authorisation levels: clear and formal assignment of powers of signature and internal authorisation, with the express indication of operating limits and in accordance with the duties assigned and the positions held within the organisational structure.
- Separation of tasks: correct distribution of activities and related responsibilities, in order to avoid functional overlaps or operational allocations that focus activities on a single individual. The tasks of the person who performs and the person who controls and/or authorises must be separated.
- Absence of conflicts of interest: it is a primary duty to operate with professionalism, transparency and impartiality, reporting any situation that may be considered even potentially harmful and from which a conflict of interest might arise.
- Traceability and storage: timely and adequate traceability of actions, operations and transactions, sources and information and control elements that support the formation and implementation of the decision taken and the methods of managing financial resources, through adequate documentary or IT support.

#### **5. WHAT IS CORRUPTION?**

Corruption is generally defined as any form of abuse of one's own or another's role/power in order to gain an improper advantage, for oneself or for others.

More specifically, corruption means: offering, promising, giving, granting, requesting, accepting, soliciting, inducing or instigating the payment of money or other benefits, directly or indirectly, in order to obtain or maintain an undue advantage or a certain market position, and to influence the achievement of any other undue objective.

There are many forms of corruption, which can be classified as follows:

- 🔗 Bribery of Public Officials: in this case, the act of bribery is committed with respect to a Public Official or a person responsible for a public service in the performance of his or her duties.

For example, it is considered unlawful to pay money or other benefits to: (i) a customs officer to enable the entry of goods without adequate documentation; (ii) a tax official to reduce VAT or direct taxes; or (iii) a local inspector to ignore conditions that do not comply with the health and safety and/or environmental provisions of a given operating/production unit.

- 🔗 Bribery between individuals: in this case, the bribery involves at least two private individuals (directors, general managers, executives responsible for preparing the company's accounting documents, auditors and liquidators), companies or private entities, including via an intermediary, in breach of obligations relating to their office or their duty of loyalty. The act

of bribery may take place indirectly through third parties (persons or companies) such as consultants, intermediaries, sales agents, distributors, or any other representative. In many countries, companies can be held directly liable for improper payments made by their representatives, even if these payments had not been approved or the company did not know about them.

For example, a payment through intermediaries could be unlawful if (i) the intermediary suggests that a certain amount of money has to be paid to a Public Official in order to secure the approval of an authorisation or to obtain public financing; (ii) the agreement with the intermediary is not written or is written but does not provide for a specific fee or terms of payment; (iii) the terms of payment provided for in the agreement with the intermediary are clearly excessive given the amount of work that will be performed and the country in which the intermediary will operate; or (iv) the intermediary requires unusual payment conditions, such as payment in kind or in cash, or payment to an account in a third country.

- 🔗 International bribery: in which the act of bribery involves parties, one of whom is a Public Official, operating in different countries.

For example, a company that pays money to a official of the authority for free competition of a foreign country in order to obtain a favourable opinion about the proposed acquisition of a company, constitutes international bribery.

The act of bribery may take place through the payment of money and/or by offering gifts, hospitality and entertainment, the nature or value of which might be considered potentially excessive or unusual.

## 6. PROHIBITIONS AND BEHAVIOURS TO BE OBSERVED IN RELATIONS WITH PUBLIC AUTHORITIES

Within each Company of the RDM Group, the Chief Executive Officer/General Manager identifies, in agreement with the Human Resources Director, persons within the corporate organisation who can interface with the Public Authorities by virtue of powers of attorney granted and/or the activity performed by the persons within the organisation.

The names of persons identified as “**Responsible Persons**” are registered in a special list (see Annex A of this Code), which is signed by the Chief Executive Officer/General Manager and periodically updated.

Only Responsible Persons may liaise with the Public Authorities during inspections and/or when requests for documents/information are made.

The following conduct is prohibited in relations with the Public Authorities (“**red flags**”):

- ↑ making cash donations to Italian or foreign Public Officials;

- † any form of gift, including gifts made indirectly, to Italian and foreign Public Officials, which might influence their independent judgement or induce them to secure any advantage for the company. Any form of favour is only permitted if it falls within the policy of the RDM Group Company, as identified in greater detail in paragraph 8 below;
- † granting advantages of any kind to representatives of the Italian or foreign Public Authorities that may have the consequences specified in the previous point;
- † making false and/or omissive statements to national or EU public bodies in order to obtain public disbursements, grants or subsidised financing;
- † allocating sums/subsidies/funds received from national or EU public bodies as disbursements, grants or financing for purposes other than those for which they were disbursed;
- † any conduct, including through an intermediary, aimed at influencing the independent judgement of a Public Official, with the aim of diverting him or her from the exclusive service of the Public Authority, breaching its rules of discipline and honour or its principles of good performance and impartiality. Conduct intended to secure any unlawful advantage for the Company or a person to whom the Code applies is also prohibited;
- † diverting a Public Official from carrying out his or her duties, promising or involving him or her in leisure activities or travel and/or relieving him or her of his or her duties by carrying out his or her activities;
- † asking a Public Official:
  - a) for information which he or she possesses for official reasons;
  - b) to engage in conduct that hinders the exercise of third-party rights;
  - c) to engage in conduct that obstructs the Public Authority's performance of its duties.
- † promising or giving, directly or through an intermediary, collaborative assignments to Public Officials who have, or have had in the preceding two years, a decision-making role in situations where the Company has or has had an interest or an advantage. Any requests to this effect by a Public Official must be reported to the Line Manager/Chief Executive Officer/General Manager and to the Head of the RDM Group's Legal & Corporate Affairs Office;
- † promising or giving, directly or through an intermediary, money or other benefits to Public Officials in order to obtain:
  - the processing of cases in a different order from the chronological order (or any other order prescribed by the regulations in force);

- the refusal of benefits due to competing third parties;
- non-compliance with quality and quantity standards established by the Public Authority in the appropriate services charters;
- the non-continuity of the service or its interruption;
- engagement in deceptive behaviour that could mislead the Public Authority in the performance of its duties;
- omitting necessary information and/or providing false and/or non-compliant information, in order to guide the decisions of the Public Administration in its own favour.

Any Responsible Person or Employee/Representative of the RDM Group who receives, directly or indirectly, requests for benefits from Public Officials must immediately report this to the Chief Executive Officer/General Manager of the RDM Group Company to which he/she/it belongs and to the Human Resources Director and Head of Legal & Corporate Affairs of the RDM Group, who will involve the Reno De Medici Supervisory Body.

Responsible Persons must:

- ✔ Manage investigations from the audit phase, including the delivery/sending of documentation, until the investigation report is signed;
- ✔ Ensure that, during any inspections by Public Officials, there are always two persons present (preferably from another company function/department/division) during the audit, inspection, assessment and reporting stages;
- ✔ Report any conflict of interest between them and/or any persons within the Company and the Public Officials involved, as well as any critical issues that may arise. This information must be communicated in a timely manner to the Chief Executive Officer/General Manager of the RDM Group Company and to the Head of Legal & Corporate Affairs of the RDM Group, so that advisable and/or necessary consequent actions may be considered;
- ✔ Monitor the application by its own staff of all the rules of conduct laid down therein and any specific rules adopted by individual RDM Group Companies;
- ✔ Act promptly and actively, including by notifying the designated corporate bodies, to prevent situations from arising and/or occurring that may be prejudicial to the RDM Group;
- ✔ Forward a written report/communication on the audit/inspection and complete the relevant file (see Annex 2) and forward it to the RDM Group's Head of Legal & Corporate Affairs;



- ✔ Immediately notify their line manager or the Chief Executive Officer/General Manager, who will involve the Head of Legal & Corporate Affairs, also so that the necessary actions may be taken, in the event that a Public Official:
  - a) without a justified reason, delays or entrusts to others the fulfilment of tasks or adoption of decisions for which he or she is responsible;
  - b) requests for his or her own private use materials or equipment that he or she should have for official reasons;
  - c) requests for his or her personal use telephone lines, vehicles, services or equipment of the Company or persons to whom the Code applies;
  - d) requests benefits, goods or services of any kind for personal use.

When entering into **contracts with the Public Authorities** on behalf of the RDM Group Company, the following is prohibited:

- ↑ making use of forms of mediation or the work of third parties other than persons to whom the Code applies, or paying or promising any benefit for intermediation, in order to facilitate or have facilitated the conclusion or execution of the contract.

Any agreements with Public Authorities in favour of public employees must provide for:

- the obligation to provide information on the application and granting of financing to the employing Public Authority;
- a clause prohibiting the Company from hiring public employees who managed the agreement negotiations or signed the agreement, or relatives or associates up to the fourth degree, for the term of the agreement and until two years after the end of the agreement;
- a clause preventing the Company from providing favourable terms to public employees who managed the agreement negotiations or signed the agreement.

All documentation regarding negotiations and contacts with Public Authorities must be retained so that the necessary checks can be carried out.

## **7. PROHIBITIONS AND BEHAVIOURS TO BE OBSERVED IN RELATIONS WITH THIRD PARTIES**

The following conduct is prohibited in relations with Third Parties (“**red flags**”):

- ↑ requesting services that are not adequately justified in the context of the contractual relationship with the same;

- † recognising compensation for goods and services which are not adequately justified in relation to the type of provision/service/professional assignment to be performed and to current local practices and/or market rules;
- † selecting a representative that: (i) is a shell company, owns other unorthodox structures, or refuses to disclose its direct or indirect shareholders; (ii) is not qualified or clearly lacks the experience or manpower to perform the tasks outlined in the agreement with the representative; (iii) is a wholly or partially owned legal entity owned by a Public Official or close family member; (iv) was recommended by a Public Official or client; (v) has a potential conflict of interest with the RDM Group Company; or (vi) requires an unusual or excessive level of remuneration or reimbursement with respect to its tasks.

In relations with Third Parties that are required to represent the Company, including in respect of Public Authorities:

- ✔ the assignment must be formally granted, including through a specific mandate by a person with powers;
- ✔ a specific clause must be provided that stipulates compliance with the principles of ethics/conduct adopted by the RDM Group Company;
- ✔ documents must be provided attesting to the possession of technical and professional requirements and, where provided by the law of the country of operation, documents attesting to the absence of criminal convictions.

### **7.1 CONDUCT TO BE OBSERVED IN THE EVENT OF EXTRAORDINARY TRANSACTIONS**

It is possible to be liable for the actions of companies that are incorporated through mergers and acquisitions. This type of liability is the responsibility of the RDM Group Company, even if the corrupt conduct occurred within the merged or acquired company before the effective date of the merger or acquisition.

The RDM Group Company may also be liable for the actions or conduct of its partners in a joint venture. It is therefore very important to analyse in depth and know in advance the reputation of the joint venture partner and how it conducts its business. Furthermore, the RDM Group Company may be liable if it approves improper business structures designed to operate in an unlawful manner.

In order to prevent the occurrence of the above risks and consequent liability for the RDM Group Company, it is necessary to:

- ✔ carry out accurate due diligence on the reputation and background of all the companies that may be involved in the acquisition or merger and on all potential joint venture partners;
- ✔ include appropriate guarantees in acquisition, partnership or joint venture agreements;

- ✔ consider, when defining the joint venture, the potential liability of one party or the other;
- ✔ avoid structures based on inappropriate models;
- ✔ select the consultants/professionals involved in the extraordinary transaction according to the criteria set out in paragraph 7 above, requiring specific technical, professional and integrity requirements.

## **8. GIFTS, HOSPITALITY, ENTERTAINMENT AND TRAVEL EXPENSES MANAGEMENT POLICY**

The following guidelines are intended to minimise the possible risk of a gift or hospitality being perceived as a form of bribery. Any gift, hospitality, entertainment, and travel expense must comply with the guidelines set forth below.

### **Public Officials**

This Code prohibits any provision of gifts, hospitality and corporate entertainment to Public Officials.

### **Distribution of gifts to Third Parties and Employees of the RDM Group**

Acts of business courtesy, such as gifts, understood to mean any object with monetary or economic value, such as a bottle of wine or a ticket for a social and/or cultural event at which the offeror/host is not present, are permitted.

It is therefore permissible to offer or accept gifts if the following conditions are met:

- ✔ the gift is of modest value, i.e. its nominal value (all taxes included) does not exceed €50.00 or the equivalent in foreign currency per person;
- ✔ the gift is part of standard business practice and/or is customary (e.g. Christmas presents);
- ✔ the gift is for an entire category of recipients (e.g. Christmas presents for suppliers and customers);
- ✔ the gift does not compromise the integrity and reputation of the parties and cannot be construed by a third, impartial observer as an act intended to secure advantages and favours in an improper manner.

It is not permitted to:

- ↑ try to divide a gift into several parts with the aim of reducing its economic value, thus bringing it under the maximum value.

If the gift offered or about to be received does not fall within the above-mentioned cases, the gift must not be offered or must be declined politely but firmly. In the event that accepting or giving a gift is reasonably in the best interest of the RDM Group Company (for example, if declining it could be considered offensive), the line manager's prior consent must be given before the gift is accepted or given.

Such consent is also necessary if the planned gift exceeds the aforementioned monetary limits per person for gifts in general. Consent will only be given if the line manager of the offeror/recipient believes that the gift cannot be regarded as an inducement. When a gift is approved that does not fall within the above limits per person, it is necessary to:

- ✔ maintain the traceability of the request for authorisation and the decision taken;
- ✔ file all documents, including internal and accounting documents (such as order of supply and purchase invoices) in order to allow audits by the Reno De Medici Supervisory Body.

It is prohibited to:

- ✘ give or accept gifts of cash or cash equivalents (such as gift vouchers), regardless of the value;
- ✘ accept any gift offered to family or friends by Third Parties, or that they might receive. These must always be rejected, regardless of their value;
- ✘ offer gifts to friends and family members of any Third Parties during their assignment or when they carry out activities for the RDM Group.

### **Hospitality and entertainment**

The term “hospitality and entertainment” refers to all those acts such as welcoming and entertaining a guest at an event where the host is present. This Code applies whether the RDM Group employee is the host or guest.

In the event that the host is not present, participation in an event will be considered a gift.

Corporate hospitality may be granted or accepted if:

- ✔ it is of modest value, i.e. its nominal value (including taxes) does not exceed €75 or the equivalent in foreign currency per person;
- ✔ It is customary to offer or receive such hospitality as part of the ordinary course of business.

For example, the permitted forms of hospitality and entertainment include dinners at a restaurant or tickets to a sporting event, theatre or concert worth no more than €75 per person or the equivalent in foreign currency.

It is not permitted to:

- † divide hospitality/an event into several parts with the aim of reducing its economic value, thus bringing it under the maximum value.

It is possible to offer or accept entertainment or hospitality with a value in excess of €75 per person (or equivalent amount in local currency) if such action is in the interest of the RDM Group Company. In such cases, prior written approval from the line manager is required. Consent will only be given if the line manager believes that the hospitality or entertainment cannot be regarded as an inducement.

When hospitality or entertainment is approved that does not fall within the above limits per person, it is necessary to:

- ✓ maintain the traceability of the request for authorisation and the decision taken;
- ✓ file all documents, including internal and accounting documents (such as order of supply and purchase invoices) in order to allow audits by the Reno De Medici Supervisory Body.

### **Travel expenses**

Travel expenses (such as air tickets, trains and hotels) may be incurred in favour of a Third Party as long as they are directly attributable to the activity/task assigned and in accordance with the RDM Group's travel and relocation management policy.

### **Donations and sponsorships**

Charitable or cultural donations, including sponsorships, must be approved by the Board of Directors of the relevant RDM Group Company only if they exceed €5,000.

Donations and sponsorships below the value indicated will be authorised by the Chief Executive Officer/General Manager of the RDM Group Company.

In any case, it is always necessary to:

- ✓ obtain in advance the articles of association of the entity benefiting from the donation/sponsorship, documentation relating to the project to be financed and the records of the use of the funds received according to the agreed purposes;
- ✓ communicate the decision made to the Head of Legal & Corporate Affairs at Reno De Medici;
- ✓ file all documents, including internal and accounting documents (such as order of supply and purchase invoices) in order to allow audits by the Reno De Medici Supervisory Body.

Donations/sponsorships are prohibited if:

- † there is any doubt as to the quality, reputation or purpose of the donation/sponsorship;

- † they may be construed as an attempt to gain influence or an improper advantage in business activities;
- † they are made to individuals;
- † they are made in cash.

## **9. FINANCING OF POLITICAL CANDIDATES OR PARTIES**

No form of payment may be made to political candidates or political parties, or to political party representatives.

## **10. ACCOUNTING BOOKS AND RECORDS**

Any use of assets/resources (including money) by the RDM Group Company must be properly recorded in detail in accordance with the law and national and international accounting standards.

All company records, including expense reports, accounts, performance records, business and manufacturing records, and reports to auditors and public bodies must be prepared in accordance with the principles of diligence and honesty. More specifically:

- ✓ Company records must not for any reason present false or misleading information;
- ✓ Under no circumstances is it permitted to allocate funds or assets of the RDM Group that have not been disclosed or recorded;
- ✓ At all times, it is necessary to comply with generally accepted accounting principles and established internal controls;
- ✓ All payments and other activities must be supported by an invoice, contract or order that contains sufficient detail to describe the services provided and is in line with RDM Group internal procedures;
- ✓ All payments must also be recorded in the company's books, records and accounts in reasonable time and with sufficient detail;
- ✓ All financial transactions must be authorised by the responsible bodies in accordance with internal control procedures.

In no way can funds be created that are not declared or registered so as not to be perceived as an illegal payment.

## **11. REPORTING**

Employees are required to report to their line manager, or in the case of a senior manager, to the Chief Executive Officer/General Manager, any conduct that diverges from the terms of this

Code, who will involve the the Human Resources Director and the Head of Legal & Corporate Affairs of Reno De Medici and the Supervisory Body of Reno De Medici, also so that the necessary actions may be taken.

Reno De Medici and the Supervisory Body undertake to protect employees and contracted staff from any detrimental effect that might arise from the report.

## 12. ANNEX A

NAME OF COMPANY

LIST OF PERSONS AUTHORISED TO UNDERTAKE  
RELATIONS WITH PUBLIC AUTHORITIES

1. First and Last Name (Business Role)
2. First and Last Name (Business Role)
3. First and Last Name (Business Role)

Etc.;

In the case of inspections by/requests from Public Officials/Public Authorities:

4. First and Last Name (Business Role)
5. First and Last Name (Business Role)

Etc.

Milan, February 14<sup>th</sup>, 2020

**Signed by Mr. Michele Bianchi**

**Chief Executive Officer**