



PARMALAT GROUP

Whistleblowing Guidelines

Approved by the Board of Directors on October 30, 2018



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1. Foreword

Law No. 179 setting forth “Provisions for the protection of individuals reporting crimes or irregularities of which they became aware in the course of a public or private work relationship” (published in the *Official Gazette*, General Series No. 291 of December 14, 2017), went into effect on December 29, 2017.

The law is aimed at providing an incentive for employees to help uncover corruptive practices within public and private entities. The introduction of an *ad hoc* law to govern whistleblowing situations follows the recommendation, addressed to Italy by some international entities engaged in the fight against corruption, to strengthen activities to prevent and fight corruption, including through the implementation of systems that enable employees to safely report any violations of which they may become aware.¹

The whistleblowing system is the tool through which protection is provided to those who report in good faith instances of non-compliance. The purpose of this tool is not only to prevent the occurrence of irregularities within an organization, but also to involve all stakeholders and the public in general in an activity to oppose unlawful conduct through an active and responsible participation.

2. Purpose

The purpose of these guidelines, aimed at protecting the entity’s integrity, is to define the modalities for reporting active or passive unlawful conduct that constitutes or could constitute a violation or an inducement to violate laws, regulations, values and principles embodied in the Code of Conduct of the Parmalat Group and in the Organization, Management and Control Model of Parmalat S.p.A. (hereinafter “Parmalat”) and its Italian and foreign subsidiaries (if and when applicable) (hereinafter collectively the “Group” or the “Parmalat Group”), internal control principles, company policies and regulations or conduct that, within the framework of transactions executed by one or more Group companies, could cause damages of any type (e.g., economic damage, environmental damage, damage to the safety of employees or external parties and also mere image damage) to said companies, as well as to customers, shareholders, partners, third parties and, more generally, the community (hereinafter the “Violation Report”).

3. Addressees

The persons to whom these guidelines are applicable (hereinafter the “Addressees”) are all those who, within the Group, perform representative, administrative or managerial functions, all employees without exceptions, the members of the Board of Statutory Auditors, associates and any other party who directly or indirectly, permanently or temporarily engages in transactions with the Group, or operates in pursuit of the Group’s objectives (e.g., customers, suppliers, partners, consultants, institutions and public entities).

¹ Confindustria, Whistleblowing Regulations – Explanatory Remarks

4. Scope of Implementation

These guidelines apply to the entire Group. The party responsible for managing these guidelines and the Violation Reports is the Chairman of Parmalat's Oversight Board (hereinafter the "Chairman of the Oversight Board").

This document was approved by a resolution of Parmalat's Board of Directors and, in order to ensure maximum distribution, it is being sent to the members of the Boards of Directors of Group companies and the Chairman of the Oversight Board and is being published on the Company's intranet and internet website.

The Board of Directors of each Group company is required and obligated to ensure that the principles listed below are adopted consistent with the organizational structure and the type of activity carried out and in accordance with existing procedures and the provisions of applicable laws.

5. Reference Documents

- Borsa Italiana's Corporate Governance Code;
- Organization, Management and Control Model pursuant to Legislative Decree No. 231/01;
- Code of Conduct of the Parmalat Group;
- Law No. 179 of November 30, 2017 "Provisions for the protection of persons reporting crimes or irregularities of which they became aware in the course of a public or private work relationship;"
- Privacy regulations currently in effect (Legislative Decree No. 101/2018 and EU Regulation No. 2016/679).

6. Violation Reports

Any persons who becomes aware of unlawful behaviors or violations perpetrated in the performance of work activities (hereinafter the "Whistleblower" or "Whistleblowers") shall report them, in good faith, in a detailed fashion.

Violation Reports shall contain detailed information about unlawful behaviors based on precise and consistent elements of fact.

Examples of elements relevant for Violation Report purposes include:

- facts that can constitute crimes, unlawful conduct or irregularities;
- behaviors harmful to the Group's integrity and interest, as well as actions capable of harming the assets or image of Parmalat Group companies (conflicts of interest, improper use of corporate assets, unlawful and/or fraudulent activities harmful to customers and corporate assets in general);
- actions capable of harming the health and safety of employees and the environment;
- actions carried out in violation of codes of conduct or other internal rules and procedures of the organization punishable on a disciplinary basis.

7. Content of Violation Reports

Even though Violation Reports can also be submitted anonymously, it is preferable that they contain the following elements:

- the name and the function performed by the party who is submitting the Violation Report;
- a clear and complete description of the facts subject of the Violation Report;
- if known, information about the time and place where the reported facts occurred;
- if known, the name or other elements that could be used to identify the party who is responsible for the reported facts (e.g., the job qualification or the sector in which he/she works);
- an indication of any other parties who could provide information about the facts subject of the Violation Report;
- any documents that could confirm the credibility of the reported facts;
- any other information that could provide a useful confirmation about the existence of the reported facts.

8. Submission of Violation Reports

The Violation Report shall be submitted in English or the local language, in accordance with the following modalities:

- by paper letter, to the regular-mail address: Parmalat S.p.A. – Via Guglielmo Silva n. 9 – Milan, to the attention of the Chairman of the Oversight Board;
- by e-mail, to the e-mail address already available to report violations of Parmalat’s Organization, Management and Control Model and the Group’s Code of Conduct: organismo.vigilanza@parmalat.net, access to which is reserved to the members of Parmalat’s Oversight Board and the Group Internal Auditing Function;
- by accessing, without any authentication requirements and with no information being recorded at the company level, the whistleblowing page of the corporate website (www.parmalat.com) to contact the Chairman of the Oversight Board directly and without any company intermediaries. This particular modality fully guarantees the confidentiality of the name of the Whistleblower and the content of the Violation Report.

9. Management of Violation Reports

The Chairman of the Oversight Board shall have the option, depending on the circumstances, of involving the Oversight Board itself and/or the Group Internal Auditing Function for the purpose of managing the Violation Report.

Actions implemented to verify the credibility of the circumstances represented in the Violation Report must be carried out consistent with the principles of impartiality and confidentiality, performing all activities deemed appropriate and involving the relevant company functions. Upon completion of the verification phase, if a Violation Report is found substantiated, the Chairman of the Oversight Board or the Oversight Board itself, if involved, shall share the Violation Report with the company functions affected in each case and recommend a special remediation plan.

If the validity of the Violation Report is verified, the Board of Directors or the Human Resource Department of the affected company, while complying with the provisions of the laws and applicable collective bargaining agreements, shall adopt all necessary measures and all protective actions.

If the validity of a Violation Report that involves the members of the Board of Directors is verified, the Chairman of the Oversight Board shall inform the Board of Statutory Auditors, if one has been established, and the entire Board of Directors, which shall adopt all necessary measures and all protective actions.

If the validity of a Violation Report that involves the members of the Board of Statutory Auditors is verified, the Chairman of the Oversight Board shall inform the Board of Directors, which, in turn, shall involve the Shareholders' Meeting for the adoption of the measures within its purview.

Upon the conclusion of the investigative phase, the Chairman of the Oversight Board or the Oversight Board itself, if involved, shall inform the Whistleblower, if identified.

Any personal data present in the Violation Reports shall be processed in compliance with current privacy laws (Legislative Decree No. 101/2018 and EU Regulation No. 2016/679) and retained for the length of time strictly necessary to manage the Violation Report.

Addressees who, for any reason, should receive information about an alleged irregularity:

- shall guarantee the confidentiality of the information they received;
- shall urge the Whistleblower to comply with the reporting modalities described above;
- when receiving a written Violation Report, shall immediately forward it to the Chairman of the Oversight Board using one of the channels mentioned above, with the obligation to refrain from implementing autonomously any analysis and/or investigative initiative.

10. Protection of Whistleblowers

The company involved in the Violation Report on each occasion shall guarantee the Whistleblower's protection and confidentiality, even when his/her name is disclosed, and shall protect him/her from any form of retaliation or discrimination carried out because of the Violation Report. The company shall also reserve the right to adopt appropriate measures against anyone who carried out or threatens to carry out retaliatory actions against the filers of Violation Reports within the framework of these guidelines.

More specifically, the Whistleblower's identity shall not be disclosed without his/her express consent and all parties involved in managing the Violation Report shall be required to protect the confidentiality of the identity information, except in those cases where the disclosure of specific data is required pursuant to the applicable laws.

Violations of the confidentiality obligation entail a disciplinary liability at the company level, without prejudice to any other type of liability applicable pursuant to law.

11. Responsibilities of Whistleblowers and Protection of Reported Violators

Whistleblowers are responsible for filing Violation Reports in good faith and consistent with the spirit stated in these guidelines: Violation Reports that are patently false or totally unfounded and/or filed for the purpose of harming the reported violator or any parties otherwise targeted in the Violation Report shall be dismissed.

During activities carried out to verify and ascertain possible instances of non-conformity, the parties subject of a Violation Report may be involved in or informed of such activities but under no circumstances shall proceedings be activated exclusively in response to a Violation Report absent concrete evidence of a violation.

As required by current laws, the Group adopted the same type protection applied to safeguard the privacy of Whistleblowers also for the party allegedly responsible for the violation, without prejudice to any other type of liability applicable pursuant to laws that impose the obligation to disclose the name of the reported violator.

12. Updating and Reporting

These guidelines and the violation reporting modalities shall be revised periodically based on the acquired operational experience.

The Chairman of the Oversight Board or the Oversight Board itself, if involved, shall provide information to the Control and Risk Committee and to Parmalat's Board of Statutory Auditors, related to the respective tasks and responsibilities, about the received Violation Reports that were found to be credible and for which an action plan was proposed and implemented.

The Chairman of the Oversight Board shall include in the semiannual report to the Board of Directors and the Board of Statutory Auditors a section on the correct implementation of the internal reporting system. Such section shall contain an overview of the Violation Reports received during the year, in addition to the findings regarding the verification of the correct implementation of the violation reporting process and compliance with the general principles (confidentiality, protection of the data of the Whistleblower and the Reported Violator, independence and judgment impartiality) upon which the internal violation reporting system is based.

A statistical summary of received Violation Reports shall be made available for reporting purposes in the "Consolidated Non-financial Statement at December 31, 2017 Pursuant to Legislative Decree No. 254/2016."