



Organisational, Management and Control Model as per Legislative Decree No. 231 of 8 June 2001

adopted by:

Cartiere Paolo Pigna S.p.A.

Registered Office: Via D. Pesenti n. 1 Alzano Lombardo (BG)

By resolution of the Board of Directors of 28/03/2019

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1. DEFINITIONS

Company: Cartiere Paolo Pigna S.p.A. (hereinafter also referred to as "**Company**" or "**Pigna**").

Legislative Decree 231/01 (hereinafter also referred to as "**Decree**"): Legislative Decree No. 231 of 8 June 2001, entitled "Regulations governing the administrative liability of legal entities, companies and associations, including those without legal personality, pursuant to Art. 11 of Law No. 300 of 29 September 2000" published in Official Gazette No. 140 of 19 June 2001, as well as subsequent amendments and additions.

Sensitive activities: these are the activities carried out by Pigna in the performance of its business activities, within the scope of which there is a risk, even potential, of crimes being committed in accordance with the aforementioned Decree.

Consultants: persons who, on the basis of their professional skills, provide their intellectual services in favour of or on behalf of the company on the basis of a mandate or other professional collaboration relationship.

Recipients: the subjects to whom the provisions of this Model apply.

Employees: subjects having a subordinate or parasubordinate work contract with the Company, whether they are Top Management or Managed Staff.

Collaborators: these are the natural persons who carry out a coordinated and continuous or occasional self-employed work assignment, on a project basis, on behalf of Pigna, without any employment relationship. For the purposes of the organisational model, collaborators are included among the "Recipients" in the same way as employees.

CCNL: the applicable National Collective Labour Contracts ("*Contratti Collettivi Nazionali di Lavoro*").

Group: Pigna and its subsidiaries.

P.A.: this means the public administration and, with reference to offences against the public administration, public officials and public service officers (e.g. public service concessionaires). For a more complete definition, see Section I - Offences against the Public Administration.

Public official: the person who "exercises a legislative, judicial or administrative public function" (Art. 357 Italian Penal Code). Pursuant to Art. 357 of the Italian Penal Code, a public official is not only a person whose activity contributes to forming the will of the State or of other public bodies, but also a person who is called upon to carry out activities that are accessory or subsidiary to the institutional aims of public bodies, since in this case too, through the activity carried out, there is participation, albeit to a limited extent, in the formation of the will of the Public Administration. It follows that, in order to be qualified as a public official, it is not essential to carry out an activity that has direct effect on third parties, since every preparatory, preliminary and ancillary act, which exhausts - within the administrative procedure - its certifying, evaluative or authoritative effects (although intended to produce effects within the P.A.), involves, in any case, the complete and inherent implementation of the purposes of the public body, and cannot be isolated from the entire context of public functions (Criminal Cassation, Section VI, 05/05/2004, no. 21088).

Person in charge of a public service: the person who "in any capacity provides a public service", meaning an activity regulated in the same forms as the public function, but characterised by the lack of typical powers of the latter (Art. 358 Italian Penal Code).

Authority: all public supervisory and/or control bodies.

Confindustria guidelines: Confindustria's guideline document (approved on 7 March 2002 and March 2014) for the construction of the Organisational, Management and Control Models referred to in the Decree.

Model: Organisational, Management and Control Model pursuant to Legislative Decree 231/01.

Corporate Bodies: both the Administrative Body and the Board of Statutory Auditors of the Company.

Supervisory Board or SB: the board foreseen by Art. 6 of the Decree, in charge of supervising the operation of and compliance with the Model and its updating.

Code of Ethics: Code of values adopted by Pigna, which formalises the founding values and general principles of conduct of the Company and the Group, recommendations, obligations and/or prohibitions that the Recipients of the same must comply with in carrying out their activities; it is an integral part of this Model.

Predicate offences: these are the types of offences to which the regulations set out in Legislative Decree 231/01 and subsequent amendments or additions thereto apply, from which the administrative liability of the Company may derive.

Top Management: persons who hold positions of representation, administration or management of the Company or one of its units with financial and functional autonomy, as well as persons who exercise, including on a de facto basis, the management or control of the Company.

Subordinates: persons subject to the management or supervision of one of the subjects referred to in the previous point.

Prevention protocols: all acts aimed at planning the formation and implementation of the Company's decisions in relation to the offences to be prevented.

Procedure: an organisational document that describes the roles, responsibilities and operating methods for carrying out a company process.

TUF: Legislative Decree No. 58 of 24 February 1998 the "Consolidated Law on Finance" ("*Testo Unico della Finanza*").

TUS: Legislative Decree No. 81 of 09 April 2008 the "Consolidated Law on Safety" ("*Testo Unico sulla Sicurezza*").

Upper Management of the Company: Board of Directors, Chair of the Board of Directors.

2. LEGISLATIVE DECREE 231/2001

2.1. The administrative responsibility of Entities

Legislative Decree No. 231 of 8 June 2001, containing "*Regulations on the administrative responsibility of legal entities, companies and associations, including those without legal personality, in accordance with Art. 11 of Law No. 30 of 29 September 2000*", introduced for the first time into the Italian legal system the concept according to which an Entity can also be held criminally responsible for certain offences, if it can be proved that these have been committed in its interest or to its advantage by subjects linked to it (employees, supervisors, agents, consultants, collaborators, etc.). This responsibility is in fact in addition to that of the natural person who has materially carried out the illegal act.

At the base of such a reform there is the intention, on the part of the Legislator, to attribute to the Entity a specific **guarantee function**, aimed at adopting every suitable and necessary measure to prevent illicit behaviour carried out in its own interest or to its own advantage by subjects in various ways involved in the company activity, under penalty of the application of fines and bans to the detriment of the assets and interests of the Entity itself.

The provisions on the administrative liability of entities set out in Legislative Decree 231/2001 apply exclusively to the offences expressly referred to therein (**Predicate Offences**, paragraph 2.2).

Article 5 of Legislative Decree 231/2001 envisages that a company is called upon to answer for its own administrative liability when one or more criminal acts occur, relating to even just one of the types of Predicate Offences, carried out by persons in a so-called "*top position*" ("*persons who hold positions of representation, administration or management of the Company or of one of its organisational units with financial and functional autonomy, persons who exercise, **also de facto**, activities of management and control*", Art. 5, paragraph 1(a) of the Decree), or by "*persons subject to the management or supervision*" of one of the subjects identified above (internal to the company organisation, such as employees, but also external, such as collaborators, consultants, etc.).

In this regard, the same Article 5 specifies that the administrative liability of the company refers only to cases in which such criminal conduct was committed by the persons identified above in the **interest** or to the **advantage** of the company, explicitly excluding (Article 5, paragraph 2), therefore, the occurrence of such liability if the person responsible for the offence acted "*in one's own interest or that of third parties*".

A company may be **exonerated** from administrative liability if it can prove that it has adopted and effectively implemented, before the offence was committed, **organisational, management and control models capable of preventing offences of the kind committed**.

In defining the modalities of exemption from administrative responsibility, Legislative Decree 231/2001 makes a significant distinction with respect to the type of subject who materially commits the illegal act.

1. In the event that the perpetrator of the offence is identified in a person in a "*top management position*" (Art. 6, paragraph 1 of the Decree), the Company shall not be held liable for administrative responsibility if:
 - a. an organisation and management model suitable for preventing offences of the same type as the one committed has been **adopted** and **effectively implemented** before the offence was committed;
 - b. a body with autonomous powers of initiative and control, i.e. the Supervisory Board, has been assigned the task of supervising the functioning of and compliance with the model, as well as ensuring that it is updated;
 - c. the perpetrators of the offence have fraudulently circumvented the organisational model;
 - d. there has been no omitted or insufficient supervision on the part of the Supervisory Board specified above.

2. If, on the other hand, the offence has been committed by persons subject to the management and supervision of persons in “top management positions”, the Company shall be held administratively liable if the offence was made possible by the failure of upper management to comply with the management and supervisory obligations assigned to them, unless it can prove that it had adopted and effectively implemented a suitable organisational, management and control model before the offence was committed.

The adoption of an organisational, management and control model, moreover, can prove to be a useful instrument of protection even if it is implemented after the crime has been committed: if, in fact, the company adopts its own model before the opening of the first degree hearing, it can obtain the application of substantially reduced financial penalties (see Art. 12, paragraph 2(b) and (c.3) of the Decree) and be exonerated from any applicable disqualification penalties (see Art. 17, paragraph 1(b) of the Decree). Finally, Art. 49, paragraph 1 of the Decree sets forth that the Company, by deciding to adopt an organisational, management and control model - in addition to other necessary initiatives - can also request the suspension of any precautionary measures during the course of the proceedings, even contributing to their revocation when the model is actually adopted and implemented (see Art. 50, paragraph 1 of the Decree).

The fundamental requirements that an organisational model must possess in order to be considered potentially suitable for preventing the commission of crimes are set forth in Art. 6, paragraph 2 of the Decree, and include:

- ✓ the identification of the company activities within the scope of which any underlying offences pursuant to Legislative Decree 231/2001 may be committed;
- ✓ the preparation of specific protocols and procedures aimed at planning the formation and decision-making processes of the company in relation to the offences to be prevented, in such a way as to reduce the risk of the committing of offences to an acceptable level;
- ✓ the identification of methods of managing financial resources that are suitable for preventing offences from being committed;
- ✓ the establishment of specific information procedures for the Supervisory Body;
- ✓ the introduction of a suitable disciplinary system, aimed at sanctioning any non-compliance with the model and related procedures by the recipients.

In relation to the administrative responsibility pursuant to Legislative Decree 231/2001, the Legislator has provided for an articulated system of sanctioning instruments, which includes:

1. **Pecuniary sanctions**, which always follow the recognition of the Entity's responsibility and are applied with a quota system, in relation to the seriousness of the offence and the economic and patrimonial conditions of the Company, with the explicit aim of “*ensuring the effectiveness of the fine*”;

In this regard, the Legislator has adopted innovative criteria for the commensuration of the sanction, attributing to the Judge the obligation to proceed with two different and successive assessments:

- a. The first, aimed at determining the number of quotas (between one hundred and one thousand) taking into account:
 - ✓ the gravity of the offence;
 - ✓ the degree of responsibility of the Entity;
 - ✓ the activity carried out to eliminate or mitigate the consequences of the offence and to prevent the committing of further offences.
- b. The second, aimed at determining the value of the quotas (from a minimum of EUR 258.23 to a maximum of EUR 1,549.37, and in any case within the minimum and maximum values predetermined in relation to the sanctioned offences). This value must be fixed “*on the basis of the economic and patrimonial conditions of the entity in order to ensure the effectiveness of the sanction*” (Articles 10 and 11, paragraph 2, Legislative Decree No. 231 of 2001).

The pecuniary sanction can, in some cases, be imposed in a reduced amount, as provided for by Article 12, Legislative Decree No. 231 of 2001.

2. **Bans**, concerning the specific activity to which the offence refers. The judge determines the type and duration based on the criteria set out in Article 11, paragraph 1 of Legislative Decree No. 231 of 2001, taking into account the suitability of individual penalties to prevent offences of the type committed.

The applicable bans are:

- ✓ disqualification from the carrying out of the business activity;
- ✓ suspension or revocation of authorisations, licences, concessions, related to the committing of the offence;
- ✓ ban on contracting with the Public Administration;
- ✓ exclusion from facilitations, financing, contributions or subsidies and possible revocation of those already granted;
- ✓ ban on the advertising of goods or services.

The bans are in addition to the pecuniary sanctions and must last between three months and two years. Their application is foreseen only for some of the Predicate Offences indicated by the Decree.

They are foreseen in relation to their ability to deter as they are capable of deeply affecting the organisation, functioning and activity of the Company. The bans, where the conditions are met (especially in terms of the seriousness and relevance of the crimes, as well as the possibility of their repetition), can also be imposed as a precautionary measure during preliminary investigations for a maximum duration of one year.

The bans are applied, by virtue of the provisions of Article 13 of Legislative Decree 231/2001, when the following conditions are met:

- ✓ "the entity has gained a significant profit from the offence and the offence was committed by persons in a top management position or by persons subject to the direction of others when, in this case, the committing of the offence was determined or facilitated by serious organisational deficiencies", or
 - ✓ "in case of reiteration of the offence" (pursuant to Article 20 of Legislative Decree No. 231 of 2001, "reiteration occurs when the entity, already definitively convicted at least once for an offence dependent on a crime, commits another one within five years following the final conviction").
4. **Publication of the sentence**, which can only be ordered if a ban is applied to the Entity, pursuant to Article 36 of the Italian Penal Code, by posting it in the municipality where the Entity has its registered office.
 5. **Confiscation** of the price or profit of the crime, or its equivalent, except for the part that can be returned to the injured party, as per Article 10 of Legislative Decree No. 231 of 2001.

2.2. Types of offences identified by the Decree

The company may only be held liable in relation to certain offences identified by the Decree itself and subsequent additions, as well as by the laws that expressly refer to the provisions of the Decree; and it shall not be held liable, with reference to the liability under Legislative Decree 231/2001, for any other type of offence committed during the performance of its activities.

Although the Decree is constantly evolving in its original version and subsequent additions, as well as the laws that explicitly refer to the provisions, Articles 24 et seq. indicate the offences that may give rise to the liability of the entity, known as "predicate offences".

Predicate offences include very different types of offences. Over time, the number and categories of predicate offences have been significantly expanded as a result of subsequent legislative additions.

As of the date of approval of this document, the types of predicate offences are:

- ✓ Offences against the Public Administration, including the offence of undue induction to give or promise benefits, introduced by Law No. 190/2012 (articles 24 and 25);
- ✓ Computer crimes and unlawful data processing (Art. 24 bis);
- ✓ Organised crime offences (Art. 24 ter);
- ✓ Offences of counterfeiting money, public credit cards, revenue stamps and identification instruments or signs (Art. 25 bis);
- ✓ Offences against industry and trade (Art. 25 bis.1);
- ✓ Corporate offences (Art.25 ter);
- ✓ Offences with the purpose of terrorism or subversion of the democratic order provided for by the criminal code and specific laws (Art. 25 quater);
- ✓ Offences against the individual (Art. 25 quinquies);
- ✓ Manslaughter and grievous or very grievous bodily harm, committed in violation of the rules on the protection of health and safety at work (Art. 25 septies);
- ✓ Receiving stolen goods, money laundering and use of money, goods or benefits of unlawful origin, as well as Self laundering (Art. 25 octies);
- ✓ Copyright infringement offences (Art. 25 novies);
- ✓ Inducement not to make statements or to make false statements to the Judicial Authorities (Art. 25 decies);
- ✓ Environmental offences (Art. 25 undecies);
- ✓ Transnational offences (Art. 10, Law 146/2006);
- ✓ Offence of employing citizens of third countries illegally residing in Italy (Art. 25 duodecies);
- ✓ Offences of Racism and Xenophobia (Art. 25-terdecies) (published in the Official Gazette Law no. 167 of 20 November 2017 with "Provisions for the fulfilment of obligations arising from Italy's membership of the European Union - European Law 2017" which came into force on 12 December 2017).

With regard to these types of offences, the general principles of control described in this General Section apply, as well as the general principles of conduct described in the Specific Section. Finally, the examination of the context and business activities has led to the conclusion that the possibility of committing the following is **not applicable**:

- ✓ Practices of mutilation of female genital organs (Art. 25 quater.1);
- ✓ Market abuse (Art. 25 sexies).

The Company undertakes to carry out continuous monitoring aimed at allowing for the adequacy of the Model over time, and guaranteeing the up-to-dateness of the foreseen Specific Sections with respect to any significant changes in the sectors of activity, organisational structure and processes of the Company.

2.3. Guidelines

Art. 6 of the Decree establishes that the Organisational, Management and Control Models can be adopted on the basis of codes of conduct drawn up by the associations representing the entities and communicated to the Ministry of Justice.

In preparing this document, therefore, Pigna has taken into account the "*Guidelines for the construction of organisational, management and control models pursuant to Legislative Decree 231/2001*" published by Confindustria, approved on 7 March 2002 and most recently updated in March 2014.

3. ORGANISATIONAL, MANAGEMENT AND CONTROL MODEL

3.1. Purpose, objectives and structure

The adoption of an Organisational Model in compliance with Legislative Decree 231/2001 represents for Pigna a tool:

- ✓ to guarantee and prevent the committing of offences;
- ✓ to raise awareness among all those who work in the name of and on behalf of Pigna, with particular reference to persons engaged in "areas of activity at risk";
- ✓ to protect its own interests from the negative effects deriving from the possible application of bans;
- ✓ to verify, review and optimise internal processes and protocols, as well as the relative control systems, to the benefit of the entire company organisation.

The Organisational Model also demonstrates that Pigna does not tolerate or condone unlawful conduct of any kind and for any purpose whatsoever and that, in any case, such conduct (even if the company is apparently in a position to benefit from it) is in any case contrary to the principles that inspire the company's business activities.

The process that led to the drafting of this Model first required a correct identification of the potential risks of offence connected with the company's activities, through a risk analysis that covered the following activities:

- ✓ **identification of specific risks:** on the basis of an analysis of the structure, activity and organisation of the company, the areas and processes most likely to be subject to the risk of committing offences falling under the provisions of Legislative Decree 231/2001 are identified;
- ✓ **analysis of the existing control system:** the organisational analysis is deepened by checking the management procedures, protocols, information flows and instructions already in place at the company, with particular reference to their adequacy and preventive effectiveness with respect to the specific offences identified;
- ✓ **adaptation of the preventive control system:** following a *gap analysis* activity, any corrections and/or additions to be made to the existing control system are identified, in order to make the level of risk of committing the offences identified acceptable to all effects.

Thanks to the work carried out in preparation for the adoption of the Model, Pigna intends to equip itself with a structured and effective system of procedures, protocols and controls, which is capable of reducing to acceptable levels, if not actually eliminating, any risks connected with the committing of offences pursuant to Legislative Decree 231/2001.

As clearly stated in the Code of Ethics, Pigna is, in fact, against the committing of any type of offence (criminal, administrative or civil), even in the case in which this is apparently and erroneously carried out in its interest or to its advantage.

This Model is Pigna's tool for monitoring and managing processes that are potentially at risk, for preventing possible unlawful conduct, for sanctioning, repressing and countering possible violations of the company's rules and principles.

This Model consists of a General Section and several Specific Sections.

The General Section, in addition to providing a brief introduction to the regulations and the cases identified by the Decree and applied to Pigna, aims to describe:

- ✓ Pigna's organisational structure and governance;
- ✓ the constituent principles of the disciplinary system;
- ✓ the criteria adopted for the appointment of the Supervisory Board;
- ✓ adoption, dissemination and updating of the model.

The Specific Parts, on the other hand, refer to each individual risk area identified during the mapping and '*risk assessment*' process. For each Area and Activity, the specific risk containment methods are in fact identified, highlighting the actions and procedures aimed at avoiding or, at least, reducing the theoretical possibility of one or more underlying crimes being committed.

In identifying actions and procedures for containing risk, Pigna adopts the following principles:

- ✓ clear identification and separation, where possible, of tasks and responsibilities attributable to processes at risk;
- ✓ development of practices and procedures inspired by the principles of transparency, congruity, consistency and verifiability, promoting the traceability of every operation;
- ✓ presence of intermediate levels of authorisation and control for processes at risk involving the movement of money;
- ✓ distribution of authorisation and signature powers consistent with the organisational and management responsibilities defined, with precise indication of the approval thresholds for the expenses envisaged.

The risk containment procedures, which involve, with different roles and at different levels, the Board of Directors and all personnel, will be subject to verification of effectiveness by the control bodies envisaged by Pigna's governance system, namely the **Board of Statutory Auditors** and the **Supervisory Board**, appointed at the same time as the adoption of this Model and endowed with the necessary requirements of autonomy and independence.

With reference to the latter, the Model also identifies the criteria adopted for its composition, the means by which to guarantee a continuous flow of information to this body and its obligation to document the checks carried out.

3.2. Recipients

This Model, including its annexes, is addressed, pursuant to Article 5 of Legislative Decree No. 231/2001, to all those who hold positions of representation, administration and direction or management and control (also de facto) and employees in the Company (hereinafter "**Recipients**"). The Model also applies, within the limits of the existing relationship, to those who, although they do not belong to the Company, work on behalf of it or are in any case linked to it by legal relationships that are relevant for the prevention of Offences (collaborators, consultants, partners or other third parties bound by a contractual relationship other than an employment contract).

In particular, within the Company, it is addressed to:

- ✓ the members of the Corporate Bodies;
- ✓ employees;
- ✓ collaborators;
- ✓ suppliers.

The provisions of this Model are intended as compulsory and binding; any breaches of the provisions of the Model must be reported within the terms and according to the procedures described in paragraph 6.

3.3. The Code of Ethics

The effectiveness of the Internal Control System depends on the integrity and ethical values of the people who work within the organisation and certainly of those who administer and monitor the controls. In this context, Pigna's adoption of the Code of Ethics is of particular importance.

The Code of Ethics is a tool which differs from the Organisational Model in nature, function and content. It contains the principles of conduct and the ethical values which inspire the company in the

pursuit of its objectives. These principles must be respected by all those who interact with the Company.

From this point of view, the Code of Ethics should be considered as the essential foundation and integral part of the Model, since the provisions contained in the latter presuppose compliance with the provisions of the former, forming together a systematic *corpus* of internal rules aimed at spreading a culture of ethics and corporate transparency.

4. THE COMPANY

Cartiere Paolo Pigna was established on 30 April 1839 in Vaprio d'Adda (Milan) as a paper manufacturing company. In 1868, at the behest of its founder, Engineer Paolo Pigna, the company's headquarters were moved to the province of Bergamo, more precisely to Alzano Lombardo, where the company is still located today.

As Italy's leading paper and stationary manufacturer, Pigna has invested in technological research and development over the years, and has been dynamic in its commercial strategies to enhance its image in the marketplace with outstanding results. Pigna branded products are indeed undoubtedly recognised as being of high quality and reliability, both in the school sector and for office use.

4.1. Organisational structure and corporate governance

Following the changes which have affected the Company's organisation, the Board of Directors of the Company has decided to approve the implementation of the Organisational, Management and Control Model pursuant to Legislative Decree 231/01, in order to ensure perfect alignment between the Model and the company's organisational structure.

Pigna's governance model and, in general, its entire organisational system, is entirely structured in such a way as to ensure that the Company implements its strategies and achieves its objectives. Pigna's structure has therefore been created with the need to provide the Company with sufficient organisation to ensure maximum efficiency and effectiveness.

Pigna has drawn up a summary table in which its entire organisational structure is outlined (the "**Organisational Chart**").

The Organisational Chart specifies, in particular:

- ✓ the areas into which the company's activities are divided;
- ✓ the lines of hierarchical dependence of the individual company bodies;
- ✓ the subjects operating in the individual areas and their relative organisational roles.

The organisational chart is officially communicated to all the Company's staff by means of specific organisational communications in which, for each department, the specific mission is reported, summarising the relative aims and, for the organisational units, the main areas of responsibility.

4.2. Corporate Governance

The governance model adopted by Pigna is of the "traditional" type: it provides for the presence of a Chair and a Board of Directors with administrative functions, within which a Managing Director is appointed, who is flanked by a Board of Statutory Auditors with functions of control over the administration, all appointed by the Shareholders' Meeting.

The Board of Directors in turn appoints a body, the Supervisory Board, set up pursuant to Legislative Decree 231/01, with advisory and control functions over the operation of this Organisational, Management and Control Model.

Pigna's corporate governance system is therefore structured as described below.

4.2.1. Board of Directors

The Board of Directors is the central body of the Company's corporate governance system.

The Board is vested with the broadest powers for all acts of ordinary and extraordinary administration of the Company, since it is entrusted with everything that the law does not reserve for the Shareholders' Meeting, in addition to the broadest powers of strategic guidance of the Group for the correct and efficient management of the Company, capable of achieving the corporate purpose and creating value for the shareholders in the medium-long term.

Pigna's Board of Directors consists of 5 (five) members, with a three-year term of office.

The Board of Directors is appointed by the ordinary shareholders' meeting, in accordance with the procedures and requirements set out in the Articles of Association.

Pigna's Board of Directors is the body responsible for formally conferring and approving delegated powers and signatory powers, assigned in line with the organisational and management responsibilities defined, with a precise indication of the approval thresholds for expenditure.

The Board of Directors has appointed a Managing Director to whom it has delegated the functions relating to regulatory, administrative, pay, social security, tax, health and safety at work obligations and, in general, all obligations relating to relations with individuals who receive income from the Company in the form of employment, self-employment or capital gains; those to whom such delegated functions are attributed are responsible for exercising, again on an exclusive basis, all the inherent decision-making powers and for maintaining relations with the Authorities and Offices responsible for dealing with such problems and also, in the same matters, with the Judicial Authorities of every order and degree.

These powers have been conferred by means of a resolution of the Board of Directors and are updated or amended according to the organisational changes that take place in the structure of the Company.

4.2.2. Board of Statutory Auditors

Pigna's Board of Statutory Auditors is made up of 3 (three) regular members (including the Chair) and 2 (two) alternate members, with a three-year term of office, who are entrusted with the task of supervising:

- ✓ observance of the law and the deed of incorporation;
- ✓ compliance with the principles of proper administration;
- ✓ the adequacy of the Company's organisational structure, the internal audit system and the administrative and accounting system, also with regard to the reliability of the latter to correctly represent management events.

4.2.3. Shareholders' Meeting

The Shareholders' Meeting is responsible for passing resolutions, in ordinary and extraordinary meetings, on the matters reserved to it by law or by the Articles of Association.

4.3. The Internal Control System

In the preparatory work leading up to the adoption of this Model, Pigna has provided for some useful guidance and monitoring tools for typical company processes, to be added to the pre-existing system of checks and controls and to be applied in particular to activities at greater risk.

The internal control system thus constituted includes:

- ✓ the ethical principles by which the Company is inspired, also on the basis of what is established in the Code of Ethics and in the Management Policies for Quality, the Environment and Safety in the Workplace;
- ✓ the system of delegated powers and proxies;
- ✓ the operating instructions, company procedures and management regulations adopted by the Company;
- ✓ the compulsory, adequate and differentiated training of all personnel;
- ✓ the system of sanctions set out in the CCNL;
- ✓ the set of national and international rules and regulations, if applicable.

5. DISSEMINATION OF THE MODEL AND TRAINING OF RESOURCES

In order to effectively implement the Model, the Company intends to ensure proper dissemination of its contents and principles inside and outside its structure.

In particular, the dissemination of the contents of the Organisational Model to the recipients thereof represents an instrument of guarantee and control of primary importance for the Company.

This Model is, therefore, communicated to all the company's stakeholders, in accordance with the methods and timescales defined by the Managing Director and the Supervisory Board, in such a way as to encourage maximum awareness of the rules of conduct that Pigna has decided to adopt.

The Model is available and can be viewed in its entirety at the company's headquarters and is available to anyone who wishes to consult it. A copy of the company's Code of Ethics is also available in a dedicated area of the company's website (<http://www.pigna.it>).

5.1. Dissemination to internal staff

Pigna, aware of the importance of information and training in terms of prevention, has defined communication and training programmes aimed at ensuring that the recipients are made aware of the main contents of the Decree and the obligations deriving from it, as well as the provisions of the Model.

Information and training activities for personnel are organised at different levels of detail according to the different degree of involvement of personnel in areas at risk of offence, and in relation to their respective powers and responsibilities.

With regard to the dissemination of the Model within the company, Pigna:

- ✓ sends a communication to all personnel regarding the adoption of this Model;
- ✓ publishes the Model on the company intranet and on any other communication tool deemed appropriate, including the company's website;
- ✓ organises training activities aimed at disseminating knowledge of Legislative Decree 231/2001 and of the provisions of the Model, as well as scheduling training sessions for personnel on the occasion of updates and/or amendments to the Model, in the manner deemed most appropriate.

It is the Company's task to implement and formalise specific training plans with the aim of guaranteeing the effective knowledge of the Decree, the Code of Ethics and the Model on the part of all company Departments and functions.

In any case, the training activity aimed at disseminating knowledge of Legislative Decree 231/2001 and the provisions of the Model, is differentiated in terms of content and methods of dissemination depending on the qualification of the Recipients, the risk level of the area in which they operate, and whether or not they hold representative and management positions within the Company. The training activity involves all the personnel in force, as well as all the resources included in the company organisation from time to time. In this regard, the relative training activities are foreseen and actually carried out, both at the time of hiring and when any change in duties occurs, as well as following updates and/or amendments to the Model.

Pigna provides continuous and compulsory training to all employees (including new recruits), not only in areas strictly related to "*compliance* 231", but also with regard to topics and issues in any way connected with the prevention objectives of the Decree.

The documentation relating to the information and training activities is kept by the Employee and the Personnel Department, and is available for consultation by the Supervisory Board and anyone who is authorised to view it.

The Supervisory Board collaborates with the Directors/Managers in determining how to implement the provisions of the Model in relations with third parties.

5.2. Dissemination to consultants and external collaborators

Pigna informs the subjects who operate on behalf of the company under the supervision and coordination of the company's top management, with particular reference to consultants, collaborators and/or external agents who operate in areas and activities at risk, of the existence of the behavioural and procedural rules of interest, providing them with specific information on the policies and procedures adopted by the Company on the basis of the Model, as well as the consequences that conduct contrary to the provisions of the Model and the Code of Ethics or the regulations in force may have with regard to contractual relations.

In order to encourage consultants to comply with the Model, the Company shall include standard clauses in consultancy contracts that contractually commit agents and consultants not to take any action or engage in any conduct that might result in a violation of the Model. In the event of violation of the aforementioned behavioural and procedural rules, the relationship with Pigna will be terminated.

6. DISCIPLINARY SYSTEM AND SANCTIONS

As expressly required by Decree 231/2001, in order to consider the Organisational, Management and Control Model as effectively implemented, an adequate system of sanctions has been foreseen, in relation to the violation and with a preventive purpose, for the violation of the procedures set out in the Model, as well as the rules of the Code of Ethics and the law.

The system provides for sanctions for each Recipient, in consideration of the different types of relationships. The system, like the Model, is aimed at Top Management, all employees, collaborators and third parties who work on behalf of the Company, providing for appropriate disciplinary sanctions in some cases and contractual/negotiated sanctions in others.

The application of disciplinary sanctions is irrespective of the outcome of (or the start of) criminal proceedings against individuals, since such violations damage the relationship of trust established with the Company, which, moreover, by adopting the Model, pursues the objective of ensuring conditions of correctness and transparency in the conduct of its business and its activities, in order to protect the company's assets and its image. Furthermore, any violation of the Model or of the established procedures must be communicated, in writing, to the Supervisory Board.

In general, violations can be traced to the following conduct and classified as follows:

- ✓ Conduct that integrates a negligent failure to implement the requirements of the Model, including company directives, procedures or instructions;
- ✓ Conduct that constitutes a wilful transgression of the Model's prescriptions, such as to compromise the relationship of trust between the perpetrator and the Company since it is unequivocally aimed at committing an offence.

By way of example, the following constitute conduct that may be subject to disciplinary procedures:

- ✓ The violation, even with omissive conduct and in possible concurrence with others, of the principles and procedures provided for by the Model or established for its implementation;
- ✓ The drafting, possibly in conjunction with others, of untrue documentation;
- ✓ The facilitation, through omissive conduct, of the drafting by others of untrue documentation;
- ✓ The removal, destruction or alteration of company documentation foreseen by the procedures;
- ✓ Obstructing the supervisory activities of the Supervisory Board;
- ✓ Obstructing access to the information and documentation requested by the persons in charge of controlling procedures and decisions;
- ✓ Engaging in any other conduct capable of circumventing the control system provided for by the Model;
- ✓ Violation of the measures for the protection of whistleblowers, as well as those who - with malice or gross negligence - make reports that later prove to be unfounded.

6.1. Sanctions for employees

Conduct by employees in violation of the principles and protocols provided for by the Model is defined as a disciplinary offence.

When defining disciplinary sanctions against employees, the company is obliged to comply with the provisions of Article 7 of Law No. 300/1970 ("**Workers' Statute**") and the provisions contained in the applicable National Collective Labour Agreement ("Contratto Collettivo Nazionale di Lavoro applicabile", hereinafter "**CCNL**").

Therefore, if one or more of the violations indicated in the preceding paragraph are ascertained, the following disciplinary measures will be applied, depending on their seriousness and possible repetition:

- ✓ **verbal warning or written reprimand:** this is normally the disciplinary measure corresponding to infractions of a lesser gravity;
- ✓ **fine:** consists of withholding from the payroll an amount corresponding to a maximum of 3 hours' basic pay. Generally, the amount of the fine is given to the company's social security and welfare institutions or, failing that, to the national social security body;
- ✓ **suspension from work and pay:** this inevitably entails the suspension of pay for its entire duration, which cannot however exceed the 3 days provided for by law;
- ✓ **dismissal** (justified reason or just cause): it is aimed at sanctioning a wilful or negligent conduct of the worker and includes all the hypotheses of subjective justified reason and most of the cases of just cause for termination.

These sanctions shall be adopted and applied in full compliance with the procedures provided for by the national collective regulations applicable to the employment relationship. Without prejudice to the principle of connection between the applicable disciplinary measures and the cases in relation to which they can be taken, the principle of proportionality between the offence and the sanction must always be complied with when applying disciplinary sanctions, while also taking into account any repetition of the offence, as well as the reliability, relevance and truthfulness of the justifications presented by the person concerned.

Disciplinary measures are imposed, in compliance with the procedural and substantive rules in force, by the company management, also upon request or report by the Supervisory Board, after hearing the competent company department.

With the exception of verbal warnings, the dispute must be made in writing and disciplinary measures cannot be imposed before 5 days have elapsed, during which the worker may present his/her justifications. No disciplinary action may be taken against a worker without first notifying him/her of the charges and hearing his/her defence. The worker may also present his/her justifications verbally, with the possible assistance of a representative of the trade union association to which he/she belongs, or of a member of the unitary trade union representation. The above disciplinary measures may be challenged by the employee before the trade unions, in accordance with the contractual provisions relating to disputes.

The adequacy of the disciplinary system to the provisions of the Decree must be constantly monitored by the Supervisory Board.

6.2. Sanctions for managerial personnel

The managerial relationship is marked by its eminently trust-based nature. The conduct of the manager is reflected not only within the Company but also externally, for example in terms of image in relation to the market. Compliance by the Company's managers with the provisions of this Model and their obligation to ensure that it is complied with is an essential element of the managerial working relationship, constituting an incentive and example for all those who report to them hierarchically.

This Model is brought to the attention of all the Company's managers by sending it in electronic form and by making it available for consultation at the Company's headquarters.

The violation of the principles and rules of conduct contained in this Model by the managers, or the adoption of conduct that does not comply with the aforementioned provisions shall be subject to disciplinary measures modulated according to the seriousness of the violation committed. For the most serious cases, the termination of employment is foreseen, in consideration of the special relationship of trust that binds the manager to the employer.

In the event of a violation by a manager, a written report must be sent promptly to the holder of the disciplinary authority and to the Board of Directors. The recipients of the communication shall initiate the procedures for which they are responsible, with a view to raising objections and the possible application of the sanctions provided for by law and by the applicable CCNL, including the possible revocation of powers of attorney or proxies.

The following are also disciplinary offences:

- ✓ the lack of vigilance on the part of the managerial staff on the correct application, on the part of the workers who are hierarchically subordinate, of the rules foreseen by the Model;
- ✓ violation of the obligations to provide information to the Supervisory Board regarding the committing of relevant offences, however attempted;
- ✓ the violation of the rules of conduct contained therein by the managers themselves;
- ✓ the adoption, in the performance of their duties, of conduct that does not conform to conduct reasonably expected of a manager, in relation to the role covered and the degree of autonomy recognised.

If the violations, on the part of the managers, of the provisions of the Model or the adoption, in the performance of their activities in areas at risk, of conduct that does not comply with the prescriptions of the Model itself, constitute criminally relevant cases, the Company, at its own discretion, reserves the right to apply, against those responsible and pending the outcome of the criminal trial, the following alternative provisional measures:

- ✓ a precautionary suspension of the manager from the relationship with the right, in any case, to full remuneration;
- ✓ assignment of a different position within the company.

By accepting the Model, the manager expressly consents to the application, at the Company's choice, of the above-mentioned provisional measures.

At the outcome of the criminal trial, whereby the violation of the Model by the manager is confirmed, he/she shall be subject to the sanctions described above.

The Company has the right to assess and formulate any request for compensation for any damage caused as a result of the manager's irregular conduct, including any damage resulting from the Judge's application of the pecuniary sanctions and bans provided for by Legislative Decree 231/2001.

6.3. Sanctions for Directors

With regard to members of the Company's Board of Directors who have committed a violation of this Model, the Board of Directors, promptly informed by the Supervisory Board, may apply any suitable measure permitted by law.

The measures are also applied when, due to inexperience or negligence, the directors have prevented or not facilitated the discovery of violations of the Model or, in the most serious cases, have facilitated the committing of offences relevant for the purposes of the Decree, as well as when they have failed to supervise, in particular with reference to any delegated powers, the compliance by the Company's personnel with the provisions of the law, this Model and the Code of Ethics.

The vigilance on the part of the directors over the activities of the persons subject to their management and supervision, within the scope of the provisions and duties set out in the Civil Code, is carried out mainly through the verification and control systems provided for in this Model, through the activities of the Supervisory Board and of the other company operational structures in charge of control activities as well as all the periodical and occasional information provided to the directors by the aforementioned persons.

If the violations are such as to constitute a just cause for revocation, the Board of Directors shall propose to the Shareholders' Meeting the adoption of the measures for which it is responsible and shall take the further steps required by law.

6.4. Sanctions for the Board of Statutory Auditors

In case of violation of this Model by one or more members of the Board of Statutory Auditors, the Supervisory Board, if it does not coincide with the Board of Statutory Auditors, shall inform the Management Body that will take the initiatives deemed most appropriate, including the convening of the Shareholders' Meeting if deemed necessary, for the appropriate measures. In this regard, reference should be made to the applicable provisions of the Italian Civil Code, in particular to Article 2400, paragraph 2.

The same sanctions shall also apply where, by failing to carry out their duties with the professionalism and diligence required by the nature of the office, the members of the Board of Statutory Auditors have prevented or not facilitated the discovery of violations of the Model or, in the most serious cases, the committing of offences relevant to the Decree.

6.5. Sanctions for the Supervisory Board

If the Management Body is informed of violations of this Model by one or more members of the Supervisory Board, it will take the initiatives it considers most appropriate, ranging from a written warning to replacement.

6.6. Sanctions for suppliers and other third parties

With the adoption of this Model, Pigna undertakes to include in all contracts, with particular reference to supply, outsourcing, mandate, partnership and consultancy contracts, the assumption of the contractor's obligation to comply with the Model and its principles, in addition to the Code of Ethics.

These contracts must include termination clauses, or the right of withdrawal in favour of the Company without any penalty for the latter, in case of the committing of offences or in case of violation of the provisions of the Model and the Code of Ethics.

However, the Company reserves the right to claim compensation if such conduct causes damage to the Company, as in the case of the judge's application of the measures provided for by Legislative Decree 231/2001 against the Company.

7. THE SUPERVISORY BOARD

In compliance with the provisions of Article 6, paragraph 1(b) of the Decree, a Supervisory Board (hereinafter also referred to as the "Board" or "SB") has been set up at Pigna, by resolution of the Board of Directors, with the task of supervising and controlling the adoption, updating and effective compliance with the Organisation, Management and Control Model.

Pigna has decided to set up a Supervisory Board with the characteristics of autonomy, independence and professionalism (as qualified below).

The Supervisory Board may invite to its meetings persons who are not part of the Company's personnel; in particular, consultants, technicians and managers of the Company's central and/or peripheral functions who are called upon to report on matters requiring specific skills may attend the Supervisory Board's meetings.

The Supervisory Board is required to adopt operating regulations governing its activities, provided that such regulations do not conflict with the Model.

7.1. Requirements

In view of the specific nature of its tasks, the provisions of Legislative Decree No. 231/01 and the indications contained in the Guidelines issued by Confindustria, the choice of the internal Supervisory Board with autonomous powers of initiative and control is made in such a way as to ensure that the SB meets the requirements of autonomy, independence, professionalism, honourableness and continuity of action that Legislative Decree No. 231/01 requires for this function, as well as the possession of technical skills and knowledge of the regulations dictated by the same Decree No. 231/01.

In particular, also in consideration of the aforementioned Confindustria Guidelines, the aforementioned requirements can be qualified as follows:

7.1.1. Autonomy

The Supervisory Board is endowed with decision-making autonomy and is autonomous with respect to the Company, i.e. it is not involved in any way in operational activities, nor is it involved in management activities. Furthermore, the Supervisory Board is able to carry out its role without being directly or indirectly influenced by the controlled parties.

The activities carried out by the Supervisory Board cannot be reviewed by any other company body or structure, it being understood that the management body is in any case called upon to carry out a supervisory activity on the adequacy of its intervention, since it is the recipient of responsibility for the functioning and effectiveness of the model.

The Supervisory Board is conceived as a staff unit in a top hierarchical position with an obligation to report to the highest company management or to the Board of Directors as a whole (see paragraph dedicated to information flows).

The Supervisory Board is also autonomous in the regulatory sense, that is, it has the possibility of determining its own behavioural and procedural rules within the scope of the powers and functions determined by the Board of Directors.

7.1.2. Independence

The independence of the Supervisory Board, also with reference to any Pigna subsidiaries, is a necessary condition for it not to be subject to any link of subordination to the Company. Independence is achieved by means of a correct and adequate hierarchical position.

Furthermore, in order to ensure the necessary autonomy of initiative and independence, the Supervisory Board must not be assigned operational tasks which, by making it a participant in operational decisions and activities, would undermine its objectivity of judgement when verifying conduct and the Model.

7.1.3. Professionalism

The Supervisory Board is professionally capable and reliable.

Therefore, the technical and professional skills appropriate to the functions it is called upon to perform must be guaranteed at a board level; skills of a juridical nature are presupposed, with particular reference to criminal law, accounting, corporate, organisational and health and safety at work regulations.

In particular, specific skills in inspection, analysis and consultancy activities must be guaranteed, such as, for example, skills relating to statistical sampling, risk analysis and assessment techniques, risk containment measures (authorisation procedures, mechanisms for juxtaposing tasks, etc.), flow-charting of procedures and processes to identify weak points, interview techniques and questionnaire processing, as well as methodologies for detecting fraud.

These characteristics, together with independence, ensure objectivity of judgment.

7.2. Duration

The term of office is established upon appointment by resolution of the Board of Directors.

The Supervisory Board shall expire at the end of its term of office, but it will continue to perform its functions until its replacement takes office.

The members of the Supervisory Board also cease to perform their duties through resignation, supervening incapacity, death or revocation.

In the event of resignation, supervening incapacity, death or revocation of a member of the Supervisory Board, the Board of Directors will promptly appoint a new Board.

7.3. Appointment

The establishment of the Supervisory Board is defined by a resolution of the Board of Directors.

The appointment must make explicit the criteria adopted when identifying, structuring and typifying the body or function invested with the role of the Supervisory Board, as well as the reasons which led to that choice and to the appointment of the individual members of the Supervisory Board.

The appointment of a member of the Supervisory Body is "ad personam", i.e. with the exclusion of any reference to the company function to which he/she belongs or to the role covered.

The following constitute grounds for ineligibility and/or disqualification (Art. 2382 of the Italian Civil Code):

- ✓ being the spouse, relative or similar within the fourth degree of directors, auditors or partners of Pigna;
- ✓ being convicted, with sentence that has become final, of committing one of the offences envisaged by Legislative Decree No. 231/2001 and subsequent additions;
- ✓ being the holder, directly or indirectly, of shareholdings of such a size as to allow the exercise of control or significant influence over the Company;
- ✓ being disqualified, incapacitated or bankrupt;
- ✓ being in a state of temporary disqualification or suspension from executive offices of legal persons and companies;

- ✓ having been subjected to preventive measures pursuant to Law no. 1423 of 25.12.1956 or Law no. 575 of 31.05.1965 and subsequent amendments and additions, except for the effects of rehabilitation.

The appointment of the Supervisory Board may be revoked by the Board of Directors, after hearing the opinion of the Board of Statutory Auditors, in the following cases:

- ✓ there are significant or repeated failures to comply with the mandate;
- ✓ if the Company is subject to bans due to the inactivity of the member(s);
- ✓ the Board of Directors becomes aware of the existence or emergence of causes of incompatibility or of the lack of the necessary requisites to hold the office;
- ✓ there has been "omitted or insufficient supervision" by the SB according to the provisions of Art. 6, paragraph 1(d), of the Decree, resulting from a conviction, even if not final, issued against the Company pursuant to the Decree or from a sentence applied upon request (plea bargaining).

In cases of particular seriousness, even before the judgment is final, the Board of Directors may order - after hearing the opinion of the Board of Statutory Auditors - the suspension of the powers of the Supervisory Board and the appointment of an interim Board.

7.4. Remuneration

The annual remuneration of the members of the Supervisory Board is established by Pigna's Board of Directors at the time of appointment or by subsequent resolution. The members of the Board are, in any case, entitled to the reimbursement of out-of-pocket expenses incurred for the purposes of their office.

7.5. Functions and powers of the Supervisory Board

The duties of the Supervisory Board are defined as follows:

- ✓ supervision of the effectiveness of the Model;
- ✓ examination of the concrete adequacy of the Model;
- ✓ analysis of the maintenance, over time, of the functional requirements of the Model; promoting the necessary updating of the Model, in the event that the analyses make it necessary to make corrections and adjustments;
- ✓ to promote the continuous updating of the Model and of the supervisory system for its implementation;
- ✓ to ensure the relevant information flows;
- ✓ to ensure adequate supervision, in line with the principles contained in the Model, within the various sectors of activity;
- ✓ to ensure compliance with and the correct interpretation of the rules of conduct contained in the Code of Ethics.

To this end, the Supervisory Board is also entrusted with the tasks of:

- ✓ drawing up the results of the activities carried out and the relative reports;
- ✓ ensuring that the system for identifying, mapping and classifying risk areas is maintained and updated for the purposes of supervisory activities;
- ✓ promoting and ensuring the elaboration of directives for the structure and contents of the information flows to the Supervisory Board;
- ✓ reporting news of violations of the Model to the competent functions and monitoring the application of disciplinary sanctions;

- ✓ promoting and monitoring initiatives for the dissemination of knowledge of the Model, as well as for personnel training and awareness-raising on compliance with the principles contained in the Model;
- ✓ coordinating with the other functions for the best monitoring of the activities in relation to the principles of the Model.

In carrying out its assigned tasks, the Supervisory Board has unrestricted access to company information for investigation, analysis and control activities. Any company function, employee and/or member of the corporate bodies is obliged to inform the Supervisory Board upon request or upon the occurrence of events or circumstances relevant to the performance of the activities for which the Supervisory Board is responsible.

The Supervisory Board must also ensure:

- ✓ adequate financial resources (budget) for the performance of the activities for which it is responsible, as previously decided by the Board of Directors (also with a view to further reinforcing the requirements of autonomy and independence); the Supervisory Board may make use of these financial resources in complete autonomy, without prejudice to the need to report on the use of the budget itself at least on an annual basis, and to justify the presentation of the budget for the subsequent period, as part of the periodic information report to the Board of Directors;
- ✓ the right to request and/or assign tasks of a purely technical nature to third parties who possess the specific expertise required to carry out the assignment in the best possible way;
- ✓ the autonomy of the internal regulatory power to govern the functioning of the Board.

7.6. Information flows

7.6.1. Communications from the Supervisory Body

The Supervisory Board reports annually to the Board of Directors on the implementation of the Model, the emergence of any critical aspects and the outcome of the activities carried out in the exercise of the tasks assigned.

The Supervisory Board is given notice of each meeting of the Board of Directors.

Should the Supervisory Board deem it necessary to attend a meeting of the Board of Directors, in order to report on its activities, it shall inform the Chair of the Board of Directors in writing of its intention to attend the meeting.

In particular:

- ✓ upon notice of a violation of the Model committed by one or more members of Management, the Supervisory Board informs the Chair of the Board of Directors and the Chair of the Board of Statutory Auditors of Pigna. The Chair of the Board of Directors proceeds with the necessary investigations and takes the appropriate measures, having consulted the Board of Statutory Auditors;
- ✓ upon notice of a violation of the Model committed by one or more Auditors, the Supervisory Board informs the Board of Statutory Auditors and the Chair of the Board of Directors. The Board of Statutory Auditors carries out the necessary checks and, after having consulted the Chair of the Board of Directors, takes the appropriate measures.

With regard to the above-mentioned reporting activities, the Supervisory Board prepares:

- ✓ an annual report on the activity carried out (the specific checks and controls carried out and their outcome, any updates to the mapping of sensitive processes, etc.);

- ✓ immediate report relating to legislative innovations on the subject of the administrative liability of entities;
- ✓ immediate notification of serious violations identified during the performance of checks.

7.6.2. Communication to the Supervisory Body

Obligations to provide information to the Supervisory Board concern, in general, all information, of whatever kind, concerning the implementation of the Model in sensitive areas of activity and compliance with the provisions of Legislative Decree No. 231/01, which may be useful for the purposes of carrying out the duties of the Supervisory Board, and in particular, in a mandatory manner:

- ✓ news relating to the effective implementation, at all levels of the company, of the Model, with evidence of any sanctions imposed, or of the measures for dismissal of sanctioning proceedings, with the relative reasons;
- ✓ the emergence of new risks in the areas managed by the various managers;
- ✓ any reports prepared by the various managers as part of their control activities, from which facts, acts or omissions may emerge that are critical with respect to compliance with the provisions of Decree No. 231/01 or the provisions of the Model;
- ✓ any anomalies, atypical elements found or findings by the corporate functions of the control activities carried out to implement the Model 231;
- ✓ measures and/or information from police or judicial bodies, or any other public authority, from which it can be inferred that investigations are being carried out for the offences referred to in Decree No. 231/01, including those against unknown persons;
- ✓ internal reports from which responsibility for the alleged offences emerges;
- ✓ reports or requests for legal assistance forwarded to the Company by senior management or persons subject to the direction of others in the event of legal proceedings being initiated against them for one of the offences set out in Legislative Decree No. 231/01;
- ✓ reports by top management or persons subject to the direction of others of alleged cases of violations and non-compliance with specific behavioural precepts, or of any suspicious attitude with reference to the offences set out in Legislative Decree No. 231/01;
- ✓ reports by top management or persons subject to the direction of others who continuously perform a service on behalf of or in the interest of the Company within the areas of sensitive activities, with reference to alleged cases of violations and non-compliance with specific behavioural precepts, or any suspicious attitude with reference to the offences presupposed by Legislative Decree 231/01;
- ✓ reports by collaborators, agents and representatives, consultants and, in general, individuals carrying out self-employment activities, by suppliers and partners (including in the form of temporary associations of companies, as well as joint ventures), and, more generally, by all those who, for whatever reason, operate within the so-called sensitive areas of activity on behalf of or in the interests of the Company.

In addition to reports relating to violations of a general nature, the Supervisory Board must also be provided with information relating to disciplinary proceedings initiated in relation to alleged violations of the Model and the sanctions imposed (including the measures taken against employees), or the measures taken to dismiss such proceedings.

The Supervisory Board is not obliged to check all the elements represented in a precise and systematic manner; it is therefore not obliged to act every time there is a report, since it is left to the discretion and responsibility of the Supervisory Board to assess the specific cases in which it is appropriate to carry out more detailed checks and interventions.

With reference to the way in which reports are transmitted by top management or persons subject to the direction of others, it should be noted that the obligation to inform the employer of any conduct

contrary to the Model adopted falls within the broader duty of diligence and obligation of loyalty of the employee. Consequently, the proper fulfilment of the information obligation by the employee cannot give rise to the application of disciplinary sanctions. On the other hand, any improper information, both in terms of content and form, determined by a defamatory and/or discriminatory intention shall be subject to appropriate disciplinary sanctions.

In particular, the following provisions shall apply:

- ✓ information and reports from anyone, including those relating to any violation or suspected violation of the Model, its general principles and the principles enshrined in the Code of Ethics, must be made in writing and also anonymously;
- ✓ information and reports shall be sent by the person concerned directly to the Supervisory Board;
- ✓ the Supervisory Board shall assess the reports received; all the recipients of information obligations are required to cooperate with the Supervisory Board, in order to enable it to collect all the additional information deemed necessary for a correct and complete assessment of the report.

The information flows and reports are stored by the Supervisory Board in a dedicated computer and/or paper database. The data and information stored in the database are made available to persons outside the Supervisory Board subject to authorisation by the latter, unless access is compulsory under the law. The latter defines, by means of a specific internal provision, criteria and conditions for access to the database, as well as for the storage and protection of data and information, in compliance with the legislation in force.

The Supervisory Board shall act in such a way as to guarantee the authors of the reports against any form of retaliation, discrimination or penalisation or any consequence thereof, ensuring the confidentiality of their identity, without prejudice, however, to legal obligations and the protection of the rights of the Company or of the persons wrongly accused and/or in bad faith.

7.7. System of delegations and proxies

The Supervisory Board must be informed of the system of delegations and proxies adopted by the Company and, promptly, of any subsequent amendment and/or update thereof.

7.8. Electronic address and information collection

All the information, notifications and reports provided for in the Model are stored by the Supervisory Board in a dedicated computer and/or paper archive. The data and information stored in the archives are made available to persons outside the Supervisory Board upon authorisation by the Supervisory Board itself.

In order to facilitate the necessary information flow to the Supervisory Board, Pigna makes available to each manager, employee and collaborator, in electronic and paper format, the FORMS containing the information flows.

In addition, the following internal e-mail address has been specifically set up, to which all those who are required to comply with the Model may refer for the due reporting to the Supervisory Board:

odv231pigna@gmail.com

In addition, in accordance with recent regulatory provisions, the Company shall provide employees, managers and any other Recipient of the Model with an alternative reporting channel suitable for guaranteeing, by computerised means, the confidentiality of the whistleblower's identity.

7.9. Meeting frequency and modalities

The Supervisory Board meets at least once every three months, but may be convened in urgent cases at the request of any of its members.

In principle, the Board is convened by its Chair by means of a registered letter, fax or e-mail indicating the date, place and time of the meeting and the relevant agenda.

In any event, the Board is deemed to be duly constituted if all the members in office are present.

The meetings of the Board may be held by tele/video conference, provided that all participants can be identified and that they are able to follow the discussion and intervene in real time in the discussion of the topics addressed, as well as to receive, transmit or view documents and that the contextuality of the examination and determination is guaranteed. If these conditions are met, the Board is deemed to be held in the place where the Chair and the Secretary of the meeting are located, in order to allow the minutes to be drawn up and signed.

The meetings of the Board are presided over by the Chair.

7.10. Establishment of the Board and validity of resolutions

The Board is regularly constituted with the intervention of at least two of the members in office and deliberates with the open vote in favour of the majority. In the event of the justified absence of one of the members and disagreement between those present, the Chair's vote prevails.

The resolutions of the Board may also be adopted, in the absence of a formal convocation and meeting, by written consultation. In this case, the signed documents must clearly state the subject of the decision and the expression of consent to it.

The Chair of the Board has the power to invite external experts to the meetings of the Board, without them having any deliberative power.

The contents of the meetings and the decisions taken by the Board are recorded in the minutes, signed by the Secretary and the Chair.

In the case of resolutions adopted by written consultation as referred to in the preceding point of these regulations, the decisions taken by the Board shall be recorded in the signed documents.

The Chair shall execute the resolutions approved directly or through the competent functions of the Company and verify their effective implementation, on which he/she shall periodically report to the Board.

In the event of a new composition of the Board of Directors of Pigna, the latter has the power to confirm or change the composition of the SB or appoint a new one.

8. ADOPTION AND UPDATING OF THE MODEL

The adoption of the Model is the responsibility of Pigna's Board of Directors. Subsequent amendments and/or additions to this Model are the responsibility of the Company's Board of Directors.

If amendments to the Model of an exclusively formal nature become necessary, the Managing Director, having consulted the Supervisory Board, may make them autonomously. The entire Board of Directors shall be informed of such amendments at a later date.

Amendments to the company procedures necessary for the implementation of the Model are made by the company departments concerned. The Supervisory Board is kept constantly informed of the updating and implementation of the new operating procedures and may express an opinion on proposed changes. If the approval of new company procedures should make it necessary to make changes to the Model, the Managing Director may do so, subject to ratification by the Board of Directors, at the first appropriate meeting.

Signature for acknowledgment and acceptance:

Name Surname

Date .../.../.....

Stamp and signature