

**Organisational Management and Control
Model
ex D. Lgs. 231/2001**

Cy.Pag. S.r.l.



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Definitions

- **Company:** Cy.Pag. S.r.l.
- **Sensitive Activities:** activities of the Company in which there is the risk, even potential, of commission of crimes referred to in the Decree.
- **Supervisory Authority:** institutions that can carry out control and supervision activities in any capacity.
- **CCNL:** National Collective Labour Agreement currently in force and applied by the Company.
- **Code of Conduct or Ethical Code:** Code of Conduct adopted by the Company, formalised in the document "Ethical Code".
- **Consultants:** persons who, by reason of their professional competence, provide their intellectual work for the benefit or on behalf of the Company on the basis of a mandate or other professional collaboration relationship.
- **D.Lgs. 231/01 or Decree 231:** Legislative Decree 8 June 2001, n. 231 and subsequent amendments or additions.
- **Employees:** persons with an employment contract with the Company.
- **Public Service Officer:** the person who "for whatever reason provides a public service", meaning an activity regulated in the same forms of public service, but characterised by the lack of typical powers of this (art. 358 c.p.).
- **Confindustria Guidelines:** document-guide of Confindustria (approved 7 March 2002 and updated in March 2014) for the construction of the models of organisation, management and control referred to in the Decree.
- **Model, MOG or MOGC:** Model of organisation, management and control according to D.Lgs. 231/01 or according to the use of the term, this Model of the Company.
- **Corporate Bodies:** both the administrative body and the board of statutory auditors of the Company.
- **Supervisory Body or SB:** body provided for by art. 6 of the Decree, in charge of the supervision of the operation and the observance of the Model and its updating.
- **P.A.:** the Public Administration, the Public Official or the Public Service Commissioner, and as better defined in the Special Part.
- **Partner:** contractual counterparties of the Company, natural or legal persons, with whom the Company achieves any form of contractually regulated cooperation.

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- **Public Officer:** one who "exercises a public legislative, judicial or administrative function" (art. 357 c.p.), and as better defined Special Section.
- **Offences presupposed:** a criminal offence to which the discipline provided for by Legislative Decree No. 231/01 applies, also following its subsequent amendments or additions.
- **Function Manager:** responsible for coordinating business activities by functional areas.
- **Apical Entities:** persons who act as representatives, directors or directors of the Company or of a unit with financial and functional autonomy, as well as persons who exercise the management or control of the Company.
- **Subordinated Entities:** persons subject to the direction or supervision of one of the entities referred to in the previous paragraph.
- **Top management:** Board of Directors, Chairman of the Board of Directors, Chief Executive Officer.

Document structure

This document, divided into a General Part and a Special Part, includes an examination of the discipline issued by Legislative Decree. 231/01 (hereinafter also the "Decree"). The General Part consists of guidelines describing the process of adoption of the Model by Cy.Pag. S.r.l. (hereinafter also only the "Company"), the crimes relevant to the Company, the recipients of the Model, the Supervisory Body (hereinafter also "SB"), the sanction system to prevent violations, information flows to the SB and the Governing Body and staff training obligations.

In addition to what is expressly stated below, are also an integral part of this document:

- the mapping of the risk areas aimed at identifying the Sensitive Activities and the acts of the Company;
- the Ethical Code, which defines the principles and rules of business conduct.

These documents can be found in the manner provided for their dissemination within the company.

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General Part

1 Legislative Decree 8 June 2001, n. 231

The Legislative Decree 8 June 2001, n. 231 (hereinafter the "Decree" or D.Lgs. 231/2001) introduced in our legal system the administrative responsibility of legal entities, companies and associations even without legal personality (also called "Entities") in the event of commission or attempted commission of certain types of offences or administrative offences in the interest or benefit of the Authority by:

- parties who have functions of representation, administration or management of the Institution or of one of its Organisational Units with financial and functional autonomy, as well as by natural persons who exercise the management and control of the same (c.d. "Apical");
- persons "subject" to the management or supervision of the persons referred to in the previous point.

The legislation does not apply to the State, to local and regional public authorities, to other non-economic public bodies and to bodies performing functions of constitutional importance.

The Decree intended to adapt the national legislation on the liability of legal persons to certain international conventions to which Italy had already long adhered.

This responsibility, although defined by the legislator as "administrative", has the characteristics of criminal responsibility, since it is ascertained in the criminal process, it follows the realisation of crimes and provides for the application of sanctions borrowed from the criminal system.

The responsibility of the Body, pursuant to the Decree, is added and does not replace the (criminal) responsibility of the offender: both the natural and the legal person will therefore be subject to criminal judgement.

1.1 The Agency's responsibility

The responsibility of the Institution is incurred not only when it has taken an immediate asset advantage from the commission of the crime, but also in the event that, even in the absence of such a result, the fact is justified in the interest of the company. The improvement of its market position or the concealment of a situation of financial crisis are cases that involve the interests of the company without bringing it an immediate economic advantage.

Essentially, so that the administrative offence connected with the offence is not attributed to it in a subjective manner, the Body must prove that it has done everything in its power to prevent the performance of business activity the commission of one of the offences provided for by the Decree. For this reason, the Decree itself provides for the exemption from liability only if the Body demonstrates:

- that the management body has adopted and effectively implemented, prior to the event, models of organisation, management and control to prevent offences of the kind that occurred;
- that the Model was fraudulently circumvented;

- that the task of supervising the functioning and observance of the models and of ensuring their updating has been entrusted to a body of the Institution with autonomous powers of initiative and control;
- there has been no omission or insufficient supervision by that body.

The above conditions must concur jointly so that the responsibility of the Institution can be excluded. The exemption from the company's fault therefore depends on the adoption and effective implementation of a Crime Prevention Template and the establishment of a Model Supervisory Body, assigned the responsibility of monitoring the compliance of the activity with standards and procedures adopted by the company.

Although the Model acts as an existent both that the assumed crime was committed by a person in an apical position, and that it was committed by a person in a subordinate position, the Decree is much stricter in the event that the offence was committed by a person in an apical position, since, in that case, the Institution must prove that the offence was committed by fraudulently circumventing the Model.

In the event of crimes committed by a person in a subordinate position, the Institution can instead be called to account only if it is found that the commission of the crime was made possible by non-compliance with the obligations of direction or supervision. This is, in this case, a real fault in the organisation: the company indirectly consented to the commission of the crime, not presiding over the activities and subjects at risk of committing an assumed crime.

1.2 Offences identified by the Decree

The Authority can be called to account only for the crimes expressly mentioned in the Decree. The Decree in its original version and in subsequent additions, as well as laws that explicitly refer to the discipline, indicate in art. 24 and following the crimes that may incur the responsibility of the Authority, cd. "Crimes Presupposed".

At the date of approval of this document, Assumption Offences belong to the following categories:

- Undue perception of disbursements, fraud to the detriment of the State, a public body or the European Union or for the achievement of public payments, computer fraud to the detriment of the State or a public body and fraud in public supplies (Art. 24);
- Computer crimes and unlawful data processing (24-bis);
- Organised crimes (24-ter);
- Embezzlement, bribery, undue inducement to give or promise utility, corruption and abuse of office (Art. 25);
- Falsehoods in coins, public credit cards, stamp values and instruments or identifying marks (25-bis);
- Crimes against industry and trade (25-bis-1);
- Corporate offences (25-ter);
- Crimes with the purpose of terrorism or subversion of the democratic order provided for by the penal code and special laws (25-quater);
- Female genital mutilation practices (25-quater-1);
- Crimes against individual personality (25-quinquies);

- Offences of market abuse (25-sexies) and related administrative offences (L. 18 April 2005 n. 62, art. 9);
- Offences of manslaughter and serious or very serious involuntary injuries committed in violation of accident prevention and health and hygiene protection at work (25-septies);
- Receiving, laundering and using illicit money, goods or utilities, as well as self-laundering (25-octies);
- Offences relating to non-cash means of payment (25-octies.1);
- Crimes in the matter of copyright infringement (25-novies);
- Inducement not to make statements or make false statements to the judicial authority (25-decies);
- Environmental crimes (25-undecies);
- Employment of illegally staying third-country nationals (25duodecies);
- Racism and xenophobia (25-terdecies);
- Fraud in sports competitions, abusive exercise of gambling or betting and gambling (25-quaterdecies);
- Tax offences (25-quinquiesdecies);
- Contraband offences (art. 25-sexiesdecies);
- Liability of entities for administrative offences dependent on crime (Art. 12, L. n. 9/2013) [They are a prerequisite for entities operating within the olive oil sector]
- Transnational crimes (L. n. 146/2006) [The following crimes, if committed in a transnational manner, are a prerequisite for the administrative responsibility of the entities];
- Crimes against cultural heritage (25-septiesdecies);
- Recycling of cultural goods and devastation and looting of cultural and landscape heritage (25 - duodevicies).

1.3 The characteristics of the Organization, Management and Control Model

The formal adoption of the Model alone is not a sufficient condition for the company's responsibility; the Decree limits itself to disciplining some general principles, but without providing specific characteristics. The Model only operates as it is if:

- effective, that is, reasonably appropriate to prevent the crime or offences committed;
- effectively implemented, that is, applied in the company's procedures and internal control system.

As for the effectiveness of the Model, it is appropriate that within it:

- the activities of the company in which offences may be committed are identified;
- dissemination and training activities are planned;
- financial resources are managed to prevent the commission of criminal offences;
- a disciplinary system is introduced to sanction the non-compliance with the measures indicated in the Model;

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- there are obligations to inform the Supervisory Body; in relation to the nature and size of the organisation, as well as the type of activity carried out, appropriate measures are foreseen to ensure that the activity is carried out in compliance with the law and to detect and eliminate risk situations in a timely manner.

The Decree establishes that the Model is subject to periodic verification and updating, both in the event that significant violations of the prescriptions emerge, and if significant changes occur in the organisation or activity of the company.

The Model, while varying and adapting to the nature, size and specific activities of the company, can be configured as a set of principles, tools and conduct that regulate the organization and management of the company, as well as control tools.

1.4 Crimes committed abroad

Pursuant to art. 4 of the Decree, the Authority may be called to account in Italy for Presupposition Crimes committed abroad.

The Decree, however, makes this possibility subject to the following conditions:

- the State of the place where the offence was committed shall not proceed;
- the company has its head office in the territory of the Italian State;
- the offence is committed abroad by a person functionally linked to the company;
- there are the general conditions of procedure provided for in Articles 7, 8, 9, 10 of the Penal Code in order to prosecute in Italy a crime committed abroad.

1.5 The sanctions

The body held responsible may be ordered to pay four types of penalty, different in nature and by way of execution:

Financial penalty:

shall always be applied if the court holds the entity responsible. Unlike the rest of the penal and administrative system, the financial penalty is determined by the judge through a system based on «quotas». Each offence provides for a minimum and a maximum of shares, the monetary value of which is then determined by the court, taking into account the «economic and capital conditions of the Institution», in terms that ensure effectiveness to the sanction. The administrative penalty for an offence shall be imposed by the criminal court or by the court competent to judge the author of the offence which is a criminal offence; by the administrative authority, in cases where the Agency is liable for the administrative offence committed in its interest or for its benefit.

Interdictive sanction:

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may be applied in addition to the financial penalties but only if expressly provided for in respect of the offence for which action is taken and only where at least one of the following conditions applies:

- the Institution made a significant profit from the offence and the offence was committed by an apical entity, or by a subordinate entity, but only where the commission of the offence was made possible by serious organisational deficiencies;
- in the event of recurrence of wrongdoing.

The interdictive sanctions provided for by the Decree are:

- the prohibition, temporary or definitive, from the exercise of the activity;
- the suspension or revocation of authorisations, licences or functional concessions to the commission of the offence;
- the prohibition to contract with the Public Administration, except for obtaining the services of a public service;
- the exclusion from facilities, funding, contributions or subsidies and the possible withdrawal of those already granted;
- a temporary or definitive ban on advertising goods or services.

Exceptionally applied with definitive effects, the interdictive sanctions are usually temporary, in an interval that goes from three months to a year, and have as object the specific activity to which the illicit one of the Authority refers. They may also be applied on a provisional basis, prior to the sentence, at the request of the Public Prosecutor, where there are serious indications of the responsibility of the Agency and there are well-founded and specific elements to be considered concrete the danger that the offences of the same case as the one for which it is proceeding are committed.

Confiscation:

consists in the acquisition by the State of the price or profit of the offence or of a value equivalent thereto.

Publication of the sentence:

consists in the publication of the sentence only once, for extract or for whole at the expenses of the Authority, in one or more newspapers indicated by the judge in the sentence as well as by poster in the Municipality where the Authority has the head office.

Although applied by the criminal court, all sanctions are administrative in nature. The framework of the sanctions provided for by the Decree is very strict, both for the high amount of financial penalties, and because the interdictive sanctions can greatly limit the exercise of normal business activity, precluding a series of business.

Administrative penalties for the Authority shall be imposed from the fifth year from the date of commission of the offence.

2 Purpose of the Model

The main objective of the Model is to create an organic and structured system of principles and procedures of control, to prevent, where possible and concretely feasible, the commission of the crimes provided for by the Decree. The Model will integrate with the Company's governance system, and will implement the process of spreading a business culture based on fairness, transparency and legality.

In particular, the Company has adopted, as part of the procedures, the following operational documents:

- PG 64-10 r1, water supply, consumption and discharges
- PG 64-11 r2, operational waste management
- PG 64-12 r1, management of special and municipal waste
- PG 64-13 r1, atmospheric emissions
- PG 64-14 r1, chemical management
- PG 64-16 r1, air conditioning systems
- PG 42-01 r2, Documentation Management Guidelines
- PG 56-01 r4, strategic planning
- PG 64-00 r1, regulatory management
- PG 76-01 r1, measurement instrument management
- PG 82-02 r3, internal audit management
- PG 83-01 r4, NC_AC management
- PG 62-01 r5, human resources management
- PG 62-02 r2, PS cassette verification management
- PG 63-01 r3, visitor entrance management
- PG 64-15 r2, emergency management safety and environment
- PG 72-02 r5, sales process management
- PG 73-01 r2, cylinder design
- PG 73-02 r3, SIS design and production
- PG 74-00 r2, communication management
- PG 74-01 r5, procurement management and external companies
- PG 74-02 r2, receiving incoming materials and controls
- PG 75-00 r3, cylinder production
- PG 75-01 r1, ATEX cylinder management
- PG 83-03 r9, returns management
- PG 83-04 r1, reporting non-compliant products
- PG GDPR r2, data protection and management (privacy)
- Regulation of computer tools.

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The Model also aims to:

- provide adequate information to Employees, to those who act on the mandate of the Company, or are linked to the Company by relationships relevant for the purposes of the Decree, regarding the activities that involve the risk of commission of crimes;
- to spread a business culture that is based on legality, since the Company prohibits any conduct that does not comply with the law or internal provisions, and in particular the provisions contained in its Organisational Model;
- spreading a culture of control;
- ensure effective and efficient organisation of the enterprise, with particular emphasis on decision-making and transparency, provision for prior and subsequent checks, and internal and external information management;
- implement all necessary measures to eliminate as soon as possible any risk situations of commission of crimes.

3 Model's Nature 231

This document constitutes the Company's internal rules, binding on it.

The Company adopted the Ethical Code, approved by the Company on 12 May 2022.

The Ethical Code differs in nature, function and content from this document and has as its ultimate aim the indication of the rules of conduct and ethical-social values of which Cy.Pag. S.r.l. in parallel with the pursuit of its social object and its objectives, consistent with what is reported in this document.

The Model presupposes compliance with the provisions of the Code of Ethics, forming with it a corpus of internal rules aimed at spreading a culture of ethics and corporate transparency.

The Ethical Code of the Company is the essential foundation of the Model and the provisions contained in the Model are integrated with what is provided for in it.

4 Model's Modifications and Updating

The updating and/or addition of this document is the responsibility of the Board of Directors, also on the proposal of the Supervisory Body and in any case always after consulting the Supervisory Body itself, when:

- infringements or circumventions of the provisions contained therein have occurred, which have demonstrated that they are ineffective or inconsistent for the purpose of preventing criminal offences;
- significant changes have occurred in the regulatory framework, organisation or activity of the Company;
- in all other cases where modification of the Model is necessary or useful.

In any case, any events that make it necessary to modify or update the Model, must be reported by the Supervisory Body in writing to the Board of Directors, in order for it to carry out its decisions.

Changes to the company procedures necessary for the implementation of the Model are made by the Functions concerned. The Supervisory Body is constantly informed of the updating and implementation of the new operating procedures and expresses its opinion on the proposed changes.

5 Governance system

The Company's corporate governance system is currently structured as follows:

- **Assembly**

The Assembly is competent to deliberate, in ordinary and extraordinary session, on matters reserved to it by law or by the Statute.

- **Board of Directors**

The Board of Directors, the administrative body provided for by the Company's Articles of Association, is vested with the widest powers for the ordinary and extraordinary management of the Company with the right to perform all the acts deemed appropriate for the achievement of the corporate object, excluded only those reserved for the assembly by law. The Board has expressly delegated some of these powers to a Chief Executive Officer and, in matters of safety, to the Employer pursuant to the TUS.

- **Board of Statutory Auditors**

The social management is controlled by a Board of Statutory Auditors consisting of three members and two alternates appointed and functioning according to the law. Statutory auditors must meet the legal requirements, in particular with regard to the requirements imposed by reason of their possible auditing function.

- **Accounting control**

The audit of the Company is carried out by the Board of Statutory Auditors.

6 Adoption of this Model

The process of adoption of the Model, for its effectiveness, requires formal and substantive steps for the codification of specific rules of conduct such as to constitute an effective means of raising awareness of all entities operating on behalf of the institution.

In compliance with the provisions of the Decree, the Company has proceeded to adopt its Model of Organization, Management and Control with a resolution of the Board of Directors of 12 May 2022 concerning the "adoption of the organisational Model and the Ethical Code pursuant to D. Lgs. 231/2001, and appointment of the Supervisory Body".

The Model, inspired by the Guidelines for the purposes of D. Lgs. June 8, 2001, n. 231 proposals by Confindustria in the version of March 2014, the circulars G.D.F The indications provided by the National Council of Chartered Accountants, the jurisprudence of merit and legitimacy, has been developed taking into account the structure and activity concretely carried out by the Company, the nature and the size of its organisation.

The Company carried out a preliminary analysis of its business context and then an analysis of the areas of activity that present potential risk profiles in relation to the commission of the crimes indicated by the Decree.

In particular, the following were analysed:

- the history of the Society,
- the corporate environment,
- the market to which it belongs,
- the market to which it belongs,
- the existing corporate governance system,
- the system of mandates and proxies,
- existing legal relationships with third parties,
- the company operating reality, the formalised and widespread practices and procedures within the Company for the performance of operations.

For the purposes of preparing this document, the Company has worked to:

- the identification of Sensitive Activities, in terms of business areas where it is possible that the Assumed Offences indicated in the Decree are committed, through interviews with the heads of the company functions, the analysis of the company organisation charts and the system of sharing responsibilities;
- the self-assessment of the risks (cd. "mapping of risk areas") of commission of crime and the internal control system suitable to intercept illicit behaviour;
- the identification of adequate controls, necessary for the prevention of the offences referred to in the Decree or for the mitigation of the commission risk, already existing or to be implemented.

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In relation to the possible commission of the crimes of negligent homicide and serious culpable injuries, committed with violation of the norms of safety and health protection at work (art. 25-septies of the Decree) the Company has carried out the analysis of its business context and of all the specific activities carried out therein, as well as the assessment of the risks related thereto on the basis of what appears from the checks carried out in compliance with the provisions of Legislative Decree 9 April 2008, n. 81 and the related special legislation.

Cy.Pag. S.r.l. involved the entire organisational structure, first in the construction of the rules themselves and, later, in their application.

To this end, it has adopted a plan for regular training and information sessions for employees and collaborators.

7 Offences relevant to Cy.Pag. S.r.l.

The Model of Cy.Pag. S.r.l. has been elaborated through the collection of the activities and the business practices (through interviews to the staff and the analysis of the internal documentation), always taking into account the structure and the activities concretely carried out, and the nature and size of its organisation.

Specifically, regarding the phase of interviews and risk assessment with company personnel, the figures involved were:

- Sales manager
- Chief of operations
- Head of integrated management system
- Head of Research and Development
- Quality control
- AD - Cypag S.r.l.
- Financial director
- External RSPP

The main documents analysed:

- Intragroup contracts Cy.pag. Group - Cy.pag. S.r.l.
- Certificate of incorporation
- Risk assessment documents
- Organisation chart
- Statutes, v. 2 December 2020
- Environmental procedures
- Quality management procedures
- ISO 9001:2015, quality management
- ISO 14001:2015, environmental management
- ISO 45001:2018, Occupational Health and Safety Management

In consideration of this activity, the Company has considered as relevant, at least hypothetically, the following Crimes Presupposition provided by the Decree:

- art. 24, Undue perception of disbursements, fraud to the detriment of the State, a public body or the European Union or for the achievement of public payments, computer fraud to the detriment of the State or a public body and fraud in public supplies;
- art. 24-ter, Organised crime;
- art. 25, Bribery, undue inducement to give or promise utility and corruption;
- art. 25-bis, Falsity in coins, public credit cards, stamp values and instruments or signs of recognition;
- art. 25-bis 1, Crimes against industry and trade;
- art. 25-ter, Corporate crimes;
- art. 25-septies, Offences of negligent homicide and serious or very serious negligent injuries, committed in violation of safety and health and hygiene at work;

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- art. 25-octies, Receiving, laundering and use of money, goods or utilities of illicit origin and self-laundering;
- art. 25-novies, Crimes in the matter of copyright infringement;
- art. 25-undecies, Environmental crimes;
- art. 25-duodocies, Employment of illegally staying third-country nationals;
- art. 25-quinquesdecies, Tax offences;
- art. 25-sexiesdecies, Contraband.

This document identifies in the following Special Part the activities of the Company called sensitive due to the inherent risk of commission of crimes of the species of those listed here and provides for each of the Sensitive Activities principles and prevention protocols.

8 Model Recipients

The Cy.Pag. S.r.l. Model applies:

- to those who perform management, administration or control functions in the Company or in an autonomous organisational unit;
- to Employees of the Company, even if posted abroad for the performance of activities;
- to all those who cooperate with the Company by virtue of a parasubordinated employment relationship, such as project collaborators, temporary workers, temporary workers, etc. or through agency contracts;
- to those who, even if they are not members of the Company, work on behalf of the Company, such as lawyers, consultants, etc. , for the relevant areas of activity;
- to those subjects acting in the interest of the Company as linked to it by contractual legal relationships, such as, for example, Partners in joint-ventures or partners for the realisation or acquisition of a business project;
- suppliers of goods and/or services that maintain ongoing and occasional relationships with the Company.

Any doubts on the applicability or on the modalities of application of the Model to a subject or a class of third parties, are resolved by the Supervisory Body consulted by the head of the area/function with which the legal relationship is configured.

All recipients of the Model are required to respect punctually the provisions contained therein and its implementation procedures, applicable to each.

This document constitutes the Company's internal rules, binding on it.

9 Supervisory Body

9.1 Function

The Company establishes, in compliance with the Decree, a Supervisory Body, suitable, adequate and effective in its supervisory activity, independent, independent and competent in controlling the risks related to the specific activity carried out by the Company and its legal profiles.

The Supervisory Body is responsible for constantly monitoring:

- compliance with the Model by the recipients, as identified above;
- on the effectiveness of the Model in preventing the commission of the crimes referred to in the Decree;
- the implementation of the Model's requirements in the context of the performance of the Company's activities;
- on the Model's updating, in the event that it is necessary to adapt it due to changes in the structure and organisation of the company or the regulatory framework.

The Supervisory Body shall adopt its own Operating Regulations, approving their contents and presenting them to the Board of Directors at the first useful meeting after the appointment.

9.2 Requirements and appointment of the Supervisory Body's members

The Top Management appoints the Supervisory Body, stating the reasons for the decision regarding the choice of each component, which must be selected exclusively on the basis of:

Autonomy

It should be noted that the requirement of autonomy should not be confused with that of independence, even if the two aspects have similarities.

Autonomy is expressly recalled by the legislator to art. 6 of the decree that the Supervisory Body must have autonomous powers of initiative and control. The second requirement is not expressly covered by the law but is based on the principle of effectiveness of control: conditions necessary for the control of the Supervisory Body to be effective for the purposes of Decree 231 will in fact be the absence of constraints on the management of the institution and operational functions and related to the business.

Doctrine means autonomy, on the one hand, as freedom of action and self-determination, and on the other hand as the attribution to the body of autonomous powers, which is expressed in the provision of the body with the necessary tools for its effective functioning.

According to Confindustria "the position of the Supervisory Body within the entity must guarantee the autonomy of the control initiative from any form of interference or conditioning by any component of the body and, in particular, the governing body.

Therefore, the Supervisory Body is included in the Company's establishment plan in the highest possible hierarchical position and responds, in the performance of this function, only to the Board of Directors.

Moreover, the autonomy of the Supervisory Body is ensured by the obligation of the Board of Directors to make available to the Supervisory Body company resources specifically dedicated, of a number and value proportionate to the tasks entrusted to it, and to approve, in the context of the formation of the company budget, an adequate endowment of financial resources, proposed by the Supervisory Body itself, of which the latter may have at its disposal for any need necessary for the proper performance of tasks (ex. specialist advice, travel, etc.).

Independence

Compared to autonomy, the requirement of independence is more related to the mental attitude of the member of the supervisory body, which should not be involved in operational tasks in order to avoid any risk of overlap between the controllers and the controlled.

On the requirement of independence have been pronounced also the professional associations in the codes of conduct approved to the senses of art. 6 paragraph 3 of Decree 231.

The Italian Banking Association has stated that the adequacy assessment must be carried out with the independence of the body, which depends not only on the personal characteristics of the individual members but also on the specific powers attributed to them as members of the body.

The autonomy and independence of the individual member of the Supervisory Body must be determined on the basis of the function performed and the tasks assigned to it, identifying from whom and from what this must be autonomous and independent in order to carry out these tasks. Therefore, in the event that the Supervisory Body is also composed of members who have decision-making, operational and/or management roles within the Company, these members must abstain from participating in the discussion and/or voting, in cases where the concrete decision-making, operational and management activities carried out by the same in favour of the Company are such as to compromise their autonomy and independence with regard to the case being discussed or approved within the Supervisory Body. In any case, the requirements of autonomy and independence presuppose that the members are not in a position, not even potential, of personal conflict of interest with the Company. Therefore, the members of the Supervisory Body must not:

- be a spouse, relative or similar within the fourth grade of the directors of the Company or of the companies controlled by it or which control it or of the reference shareholders;
- be in any other situation of obvious or potential conflict of interest.

Professionalism

This requirement refers to the equipment and techniques that the organisation must possess in order to be able to carry out the assigned activity effectively. These are specialist techniques specific to those who carry out the activity of control, but also consultancy in the analysis of control systems and legal and, more specifically, criminal law. These are techniques that can be used to ascertain how a crime could be verified and who committed it; or in advance to take the most appropriate measures to prevent the commission of the same crimes. On the other hand, with regard to legal powers, it should not be forgotten that the regulation in question is in essence a criminal law regulation and that the supervisory body's activity is aimed at preventing the perpetration of crimes.

Knowledge of the structure of the essential requirements and the ways in which criminal offences are carried out is therefore essential and can only be ensured by means of specific sectoral expertise. It has been argued that "the type of control of an indirect nature within the competence of the supervisory body which, is not invested with some sort of transversal and general supervisory power over all the sectors and functions of the business organisation which may be to some extent invested by criminal acts, but will have to carry out its function by requesting - and receiving even without its appropriate instances - the necessary information from the company structure, from the persons in charge of internal control, from the audit, from the board of auditors, etc. (Santoriello C. - Rivista 231, 4, 2012).

In order to implement the professionalism useful or necessary for the activity of the Supervisory Body, and to ensure the professionalism of the Body (as well as its autonomy), a specific budget of expenditure is allocated to the Supervisory Body, aimed at the possibility of acquiring outside the Institution, when necessary, competences necessarily supplementary to its own. The Supervisory Body will thus be able, also through the use of external professionals, to acquire competent resources in legal matters, business organisation, auditing, accounting, finance and safety in the workplace. The above budget may be exceeded in the event of specific reasons of urgency.

Continuity of action

Continuity of action is more of a functional requirement for the supervisory body than a subjective requirement. The guidelines of Confindustria have considered to foresee the requirement of continuity of action and define it in a particularly stringent way.

This approach was also taken up by Circ. 83607/2012 of the Guardia di Finanza, to support the alleged inadequacy of a "not full-time" supervisory body. All this in the sense that the activity of the Supervisory Body must be carried out without intermittence with respect to different roles within the institution, it is still necessary to recall the indications provided by the National Council of Chartered Accountants and Accounting Experts according to which "with continuity of action it is wanted to emphasise the necessity that the vigilance on the model is carried out with periodicity such to concur to the Supervisory Body the recognizing in real time eventual anomalous situations".

The Supervisory Body shall continuously carry out the activities necessary for the supervision of the Model with adequate commitment and with the necessary investigative powers. Continuity of action must not be understood as "incessant operation", since such an interpretation would necessarily impose a Supervisory Body exclusively within the Institution, when, however, this circumstance would lead to a decrease in the necessary autonomy that must characterise the Organism itself. Continuity of action implies that the activity of the Supervisory Body should not be limited to periodic meetings of its members, but be organised according to a plan of action and the constant conduct of monitoring and analysis of the prevention system of the Agency.

Composition

The composition of the supervisory body cannot disregard the fulfilment of the requirements as required by the extras legislative sources mentioned above. The documents of the National Council of Chartered Accountants and Accounting Experts on the subject provide a summary of possible solutions regarding the assignment of the tasks of the Supervisory Body and their opportunity. The doctrine recognizes that it will be adequate just where its structure is proportionate to the size and complexity of the institution.

The case law has stated that, in order to be functional, the supervisory body must necessarily have the necessary powers of initiative, autonomy and control: "it is evident that in order to ensure efficiency and functionality the SB will not have operational tasks that, by making it participate in decisions of the activity of the institution could prejudice the serenity of judgement at the time of the checks "(Trib. Roma, Gip Finiti).

The guidelines drawn up by trade associations and approved by the Ministry of Justice, to which the same rule of law (art. 6 paragraph 3 D.Lgs. 231/2001) gives a particular dignity, expressly indicate (circ. Gdf 1903/2012 chap. 5), among the possible options for the appointment of the SB the multi-subjective body consisting of subjects of the institution (responsible for the internal audit of the legal function, non-executive and/or independent director and/or auditor) and external parties. The Italian Banking Association guidelines go so far as to suggest such an option, in the same way the Assosim guidelines approved by the Ministry of Justice on 12/05/2011 were expressed.

Finally, it must be considered that, especially for companies of small size and complexity, the identification of objectively autonomous and independent roles is difficult to apply. In this regard, in line with the jurisprudence (maxim of the Notary Council of Milan n. 100/2007), the Company Summit decided to assign the task of Supervisory Body to an external legal person who, In turn, will identify the natural persons who will compose the SB.

The characteristics are such as to guarantee to the entire supervisory body the requirements of good repute, autonomy, independence and professionalism required by law, as well as the possibility of continuity of action that must characterise the operation of the SB. In this regard, it should be noted that the supervisory body has autonomous powers of initiative and control and that, in addition, in order to ensure its independence, it is accountable to the highest Business Summit, from which it is appointed and revoked.

In the event that a situation of numerical parity occurs during the deliberation, the vote of the President of the SB will be decisive for the adoption of the resolution. After the formal acceptance of the nominated subjects, the decision is communicated to all corporate levels, through internal communication.

The SB remains in office until the date decided by the Board of Directors who appointed it. Members of the SB may be re-elected.

The Supervisory Body, appointed by resolution of the Board of Directors on 12 May 2022, is therefore assigned :

to the company Assiteca Consulting S.r.l. which is in charge of providing external members, which identifies and assigns roles to the following professionals:

- President: Dr Mauro Campaner;
- 1° Member: Dr. Giuseppina De Biase.

as an internal member of the Commission:

- 2° Member: Marilena Bolis.

9.3 Eligibility requirements

Each member of the Supervisory Body must have professionalism, good repute, independence, functional autonomy and continuity of action, as well as the competence necessary for the performance of the tasks entrusted by the Decree.

All members of the Supervisory Body shall be required in advance not to be in any of the following conditions of ineligibility and/or incompatibility:

- the condition of having been subjected to preventive measures ordered by the judicial authority pursuant to Law no. 1423 of 27 December 1956 (Law on measures to prevent persons dangerous to safety and public morality) or Law no. 575 of 31 May 1965 (provisions against the Mafia);
- the condition of being investigated or having been sentenced, even by a judgement not yet final or issued ex art. 444 and ss. c.p.p. (plea bargaining) or even with suspended sentence, except for the effects of rehabilitation;
- the condition of having committed one or more offences among those strictly provided for by D. Lgs. 231/2001;
- imprisonment for a period of not less than two years for any crime not committed by negligence;
- the condition of being disqualified, incapacitated, bankrupt or having been sentenced, even by a non-final judgement, to a penalty involving the prohibition, even temporary, of public offices or the inability to exercise management offices.

The occurrence of even one of the above conditions implies the ineligibility to the office of member of the Supervisory Body and, in case of election, the automatic forfeiture from that office, without the need for a resolution of revocation by the Company Management, which will replace it.

9.4 Revocation, replacement and withdrawal

Without prejudice to the previous point, the revocation of the office of Supervisory Body's member can only take place through a resolution of the Board of Directors and only in the presence of just cause.

The conditions for revocation are:

- the loss of eligibility requirements;

- non-compliance with the obligations relating to the task entrusted;
- lack of good faith and diligence in the performance of their duties;
- failure to cooperate with other members of the Supervisory Body;
- unjustified absence to more than two meetings of the Supervisory Body.

For a just cause, the Top Management revokes the appointment of the member of the Supervisory Body no longer suitable and, after adequate motivation, provides for his immediate replacement.

Before the end of the term, the incapacity or impossibility to exercise the post shall constitute the cause of forfeiture from the post.

Each member of the SB may withdraw from the appointment at any time, subject to a minimum of one month's notice by written and reasoned communication to the Company Executive.

In the event of forfeiture or withdrawal of one of the components of the SB, the Company Executive Board shall promptly replace the component that has become unsuitable, also with the notification of the President of the Supervisory Body..

9.5 Activities and powers

The performance of the task of the Supervisory Body's component has a high level of complexity and sensitivity, it should be remembered that the subject ultimately called to assess the adequacy of the model will be the criminal judicial authority. The only regulatory references to identify the powers and functions are contained in art. 6 paragraph 1 letter. b of Legislative Decree. 231/2001. despite the delicacy of the role lacks an organic discipline that supports the SB in the concrete development of its activity, therefore having to make use of the support offered by doctrine, jurisprudence, and professional associations.

It is appropriate to remember that in addition to the ordinary activity during the mandate that, as provided for by art. 6, is centred on the supervision on the operation, and on the observance of the model, can be assumed at least two other fields of activity of the professional called to join the SB: 1) in the preliminary phase (inclined to the adoption of the organisational and management model) 2) in the phase following a possible offence.

In the preliminary phase, the Supervisory Body may have an active or simply participatory role for a better knowledge of the model, in case of crimes and proceedings against the body the SB may have a role in assisting the body in the defence, in particular to demonstrate the effectiveness of the activity entrusted to the same supervisory body. This is because when evaluating the effectiveness and implementation of the model, the verification of the effective operation of the SB will play a fundamental role. Such verification will inevitably be based above all on the documents available that will have to be able to testify the modalities with which the activity has been effectively carried out.

After the appointment, the SB will carry out its activities, which we will define as ordinary, within which we can further distinguish two phases: startup and supervision. As part of the start-up phase of the activity, the supervisory body should take note of the model and verify that

it "works" and is suitable for the purpose of crime prevention. Then he will carry out the task of vigilance that manifests itself in supervision and control, in updating the model, in training.

regarding the tasks of the Supervisory Body, a useful contribution is provided by a judgement of the Court of Appeal of Milan , Second Section Criminal Court of 21.03.2012, which states that "the task of the ODV is to observe the functioning of the model in order to verify its suitability, to detect any deficiencies that will have to be reported to the governing body for their elimination". Therefore, the main task of the Supervisory Body in the startup phase is to observe, while the tasks related to the subsequent supervision and "maintenance" activity of the model, as stated in Articles 6 and 7 of Legislative Decree. 231/2001 and in the guidelines of the trade associations, can be summarised in:

- verification of the consistency between concrete behaviours and the established model; it is expressed in the verification of the application of the rules indicated in the whole Organisational and Management Model through the verification of the concrete implementation of the protocols, of the information flows, the rules on the signing of acts, delegations and powers of attorney, compliance with the limits on powers and thresholds for expenditure, effective implementation of the disciplinary system;
- verification of the model's capacity to perform the crime prevention function;
- monitoring the proper dissemination of the model within the Company, about its knowledge by the parties involved;
- verify that the solidity and functionality requirements of the model are maintained over time;
- care of the dynamic updating of the model (regulatory changes, changes in the organisational structure, commission of crime or significant violations to the model). This activity takes the form of the submission of adaptation proposals and the subsequent verification of the implementation and effective functionality of the proposed solutions. The Supervisory Body in any case is responsible for reporting while the responsibility for the change remains with the administrative body.

The Supervisory Body shall meet at least three times a year and whenever one of its members makes a written request to the President.

The Body may delegate to the President or to the other component specific activities that will be analysed and approved within the Body itself.

To carry out the assigned tasks, the Supervisory Body is vested with all the powers of initiative and control over every business activity and level of staff, and has an exclusive link of hierarchical dependence on the Company Summit, to which it reports through its President.

The tasks and responsibilities of the Supervisory Body and its members may not be syndicated by any other body or company structure, it being understood that the Company Summit can verify the consistency between what is done by the same body and internal company policies.

The Supervisory Body carries out its functions in coordination with the other control bodies or functions existing in the Company. In particular:

- it coordinates with the Directorate General regarding the aspects related to the training of personnel related to the issues related to the Decree;
- collaborates with the Directorate General for the interpretation and updating of the regulatory framework, as well as for the elaboration of contractual clauses governing the application of the Model to parties outside the Company;
- coordinates with the corporate functions that carry out activities at risk for all aspects related to the implementation of operational procedures for the implementation of the Model.

The Supervisory Body, in supervising the effective implementation of the Model, is endowed with powers and duties that it exercises in compliance with the laws and individual rights of workers and stakeholders, as follows:

- carry out or arrange for periodic inspections to be carried out, under its direct supervision and responsibility;
- access all information regarding the Company's Sensitive Activities;
- request information or the presentation of documents regarding Sensitive Activities, all the employees of the Company and, where necessary, the directors, the board of statutory auditors, persons appointed in compliance with the provisions of the legislation on safety and health at work;
- request information or the presentation of documents regarding Sensitive Activities to collaborators, consultants, agents and external representatives of the Company and generally to all recipients of the Model, identified in accordance with the relevant paragraph;
- request, where appropriate in the performance of its duties, information from any supervisory bodies of subsidiaries;
- use the help and support of employees;
- use external consultants when problems arise that require the help of specific skills;
- propose to the body or department holding the power to regulate the adoption of the necessary sanctions referred to in the relevant paragraph;
- periodically check the Model and, if necessary, propose any changes and updates to the Senior Management;
- define, in agreement with the Personnel Manager, the training programs of the staff in the field of issues on D.Lgs. 231/01;
- draw up periodically, every six months, a written report to the Senior Management, with the minimum contents indicated in the following paragraph;
- in the event of serious and urgent events occurring, detected in the course of its activities, immediately inform the Senior Management;
- identify and periodically update the types of legal relationships with parties outside the Company to which the Model should apply, as well as determining the procedures for

communicating the Model to these subjects and the procedures necessary for complying with its provisions.

The Supervisory Body determines its annual budget and submits it to the Senior Management for approval.

9.6 Information flows

Information flows towards the Senior Management

The Supervisory Body reports exclusively to the Senior Management, on the implementation of the Model, on the emergence of any critical issues, on the need for any updates and adjustments of the Model and on the reporting of violations found.

To this end, the Supervisory Body shall prepare a half-yearly written report setting out the following specific information:

- a summary of the activity and controls carried out by the SB during the year;
- any discrepancies between the operating procedures implementing the provisions of the Model;
- any new areas of commission of crimes provided for by the Decree;
- the verification of the reports received by external or internal subjects regarding possible violations of the Model and the results of the verifications regarding the aforementioned reports;
- disciplinary procedures and any sanctions applied to the Company, meaning only those relating to activities at risk;
- a general evaluation of the Model, with possible proposals for additions and improvements in form and content, on the effective functioning of the same;
- any changes to the regulatory framework;
- a statement of expenditure incurred.

Without prejudice to the above terms, the Board of Directors and the Board of Statutory Auditors have the right to request meetings at any time at the Supervisory Body, which, in turn, has the right to request, through the competent functions or subjects, meetings with the aforementioned bodies when deemed appropriate.

Information flows towards the Supervisory Body

The Supervisory Body, through the definition of an operational procedure, may determine the other types of information that those responsible for the management of Sensitive Activities must transmit together with the frequency and manner in which such communications are forwarded to the Body itself.

All company personnel and external subjects to whom this document is addressed **are obliged to communicate** directly with the Supervisory Body to report cases of commission or possible commission of crimes or possible violations of the Model, either through a dedicated e-mail: odv.cypag@assiteca.it, either by written communication to be sent to the following address: [Organismo di Vigilanza Cy.Pag. C/O Assiteca Consulting S.r.l. Via G. Sigieri, 14 Milano 20135.](#)

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If anonymous, alerts will be taken into account only if they are timely, not generic and formulated in such a way as to describe in detail the facts and persons covered by the alert.

The above-mentioned reports must be evaluated by the Supervisory Body that activates a process of verifying the truth and soundness of the report received.

The Company undertakes to take appropriate measures to ensure the confidentiality of the identity of those who transmit information to the Supervisory Body, provided that the latter are truthful and useful for identifying behaviours that are different from those required by the procedures of the Model and the internal control system. However, behaviours aimed exclusively at slowing down the activity of the ODV will be appropriately sanctioned.

However, the Supervisory Body undertakes to guarantee whistleblowers in good faith against any form of retaliation, discrimination or penalty and, in any case, the confidentiality of the identity of the whistleblower is ensured, without prejudice to legal obligations and the protection of the rights of the Company or of persons wrongly or in bad faith accused.

In addition to the reports relating to violations of a general nature described above, the Supervisory Body must be informed of the disciplinary procedures activated in relation to "news of violation" of the Model and the sanctions issued (including the measures taken against the Employees) or the measures to dismiss such proceedings with the relevant reasons.

10 Sanction system

This sanction system must be considered by the Recipients of the Model as an integral part of the company regulations and is therefore applicable to all employees and management, as well as for anyone carrying out an activity on behalf of or in the interest of the Company, even if not employed.

10.1 General principles

In order for the Model of organisation, management and control to effectively control the risks identified by the Company, it must set up an adequate disciplinary system "suitable to sanction the non-compliance with the measures indicated in the Model" (art. 6, paragraph 2, lett. e) of D. Lgs. 231/2001).

For the purposes of this sanction system, any action or conduct that is not in accordance with the law and the provisions of the Model and the Code of Ethics is subject to a sanction, even if the conduct is carried out in the interest of the Company or with the intention of giving it an advantage.

The application of the sanctions contained in this disciplinary system is independent of the conduct and outcome of any criminal proceedings initiated by the judicial authority, as the rules of conduct imposed by the Model are assumed by the Company in full autonomy and regardless of the type of offence that the violations of the Model itself may determine.

10.2 Definition and limits of disciplinary liability

The Company shall ensure that the sanctions imposed on the recipients of this Model are those provided for by the laws and regulations in force, by the sanction system provided for by the applicable National Collective Employment Agreement, as internal rules of the Company also the employment contracts entered into by the Company, and by company regulations.

In addition, the Company states that for the contestation of the offence and for the imposition of the relevant sanction it is applied on the procedural plan art. 7 of the L. n. 300/1970 (Statute of the Workers).

10.3 General criteria for imposing disciplinary sanctions

In the procedure of imposition of the sanction will be taken into account both the legal status of the person against whom it is carried out (director, mayor, manager, collaborator, employee, etc.), both the type and extent of each sanction. The latter will be proportionate to the seriousness of the undue conduct and will, in any event, be defined by reference to the following general criteria:

- the degree of recklessness, inexperience, negligence or intent of the action/omission behaviour;

- the relevance of the infringed obligations;
- the potential of the resulting damage for the Company, also in consideration of the possible application of the sanction provided for by art. 9 and ss. of D. Lgs. 231/2001;
- level of hierarchical and/or technical responsibility of the involved person;
- possible involvement of several persons in the commission of the same conduct;
- the presence of extenuating or aggravating circumstances identified with reference to the conduct (in particular, the professionalism, the disciplinary precedents and the circumstances in which the incident was committed shall be taken into account).

In any event, the principles of gradualness and proportionality to the gravity of the infringements committed shall be respected in the imposition of the sanction.

The Company always has the right to claim compensation for damages resulting from the violation of the Model, which will be commensurate with:

- the level of responsibility and autonomy of the employee, the author of the disciplinary offence;
- the possible existence of disciplinary precedents;
- the intentionality of his behaviour;
- the level of risk which the Company reasonably considers to have been exposed as a result of the conduct complained of.

10.4 Sanctioned conduct

As already mentioned, the disciplinary system is aimed at sanctioning any commissive, omitting or elusive behaviour, which damages or threatens the effectiveness of this Organisation, Management and Control Model.

For example, the following conduct constitutes disciplinary offences:

- infringement of the principles and procedures laid down by the Model or established for its implementation;
- write, possibly cooperating with other employees, untruthful documents or facilitate others, even without carrying out any conduct, the preparation of untruthful documents;
- remove, destroy or modify documents relating to the procedure, in order to avoid the controls provided by the Model;
- failure to supervise the correct and effective application of the provisions of the company procedures by the hierarchical superiors on the behaviour of their subordinates;
- the obstacle to the supervisory activity of the Supervisory Body;
- preventing access to the information and documentation required by the subjects responsible for monitoring procedures and decisions;
- the implementation of any other conduct capable of circumventing the control system provided for by the Model.

10.5 Persons subject to sanctions and their duties

All persons who have the duty to respect and apply the Model are also recipients of this sanction system.

In particular, the Recipients of sanctions are:

- all the employees of the company, regardless of the nature, form and discipline of the related employment relationship (for example, workers, employees, executives, apprentices, etc.);
- managers of the company and those who carry out, in fact, top-level functions;
- the members of the Board of Directors;
- the members of the Board of Auditors;
- all those who carry out an activity on behalf of or in the interest of the Company, even if they are employees (for example, prosecutors, agents, collaborators, consultants, etc.);
- business partners and suppliers of goods or services.

Recipients must align their conduct with the principles and procedures inherent in the business activities set out in the Organisational Management and Control Model and in the Ethical Code.

All the recipients are informed about the existence and content of this sanction system and the Supervisory Body shall monitor the adoption of the specific procedures for the communication of the latter.

10.6 Persons subject to sanctions and their duties

Non-compliance with the provisions and rules of conduct provided for by the Model and the Ethical Code constitutes, if found, a breach of contract in relation to the obligations arising from the employment relationship pursuant to art. 2104 cod. civ.

Disciplinary measures are taken against employees in accordance with art. 7 of the law 20 May 1970, n. 300 (Statute of the Workers) and to the previously cited CCNL (National Collective Bargaining Agreement).

In particular, the sanction system provided for by the National Collective Bargaining Agreement), depending on the seriousness of the shortcomings, provides the following sanctions:

- verbal warning;
- written warning;
- fine;
- suspension;
- dismissal (for justified objective reasons) "with notice";
- dismissal (for just cause) "without notice".

In the event that the fact constitutes violation also of duties deriving from the law or from the employment relationship, such as not to further allow the continuation of the employment

relationship even provisionally, the dismissal without notice may be decided, according to art. 2119 c.c., without prejudice to compliance with disciplinary proceedings.

In the event of repeated violations (of particular gravity) or that have exposed the Company to the danger of injurious consequences, a penalty of greater severity is applied than that provided for the violation committed or, in the most serious cases, the dismissal.

10.7 Measures and sanctions against managers

The management relationship is a relationship characterised by its fiduciary nature: the conduct of the manager influences both inside and outside the company.

There is no special sanction system available to managers; nevertheless, in accordance with the now peacefully recognized applicability to this category of art.7 of the Workers' Statute (Corte Cost. 24.06.92 n. 309 - Cass SS.UU. 30.03.2007 n.7880), it is considered reasonable and appropriate to extend the system provided for other employees, with the marginal adaptations determined by the peculiarity of the managerial relationship.

Therefore - without prejudice to the possible experiment of a parallel compensatory action - the penalties applicable to managers may also be:

- verbal or written warning;
- the fine (precautionary not exceeding 4 hours of pay);
- the fine (precautionary not exceeding 4 hours of pay);
- dismissal for failure, with notice, or without, depending on the seriousness of the manager's conduct.

For the purposes of the procedure of contestation and imposition of the sanction, the guarantees referred to in paragraphs 2 and 3 of art.7 of the Workers' Statute shall be applied, in any case and at least, It will therefore be essential to contest the charge beforehand and to audition the employee.

10.8 Measures and sanctions against members of the Board of Directors

The directors represent the top management of the Company and therefore reflect the image of the Company towards anyone who works and/or comes into contact with the company.

Therefore, if the breach is committed by a director of the Company, the Supervisory Body must immediately notify the Board of Directors by written report.

In this case, ex art. 2392 cod. civ. the Board of Directors assesses the violation and takes the most appropriate measure provided for by law, taking into account the seriousness, the fault and the damage resulting from the Company.

However, the typical instrument of company law is integrated with certain disciplinary sanctions articulated and imposed according to the gravity of the infringement.

- Formal recall in written form, which censures violations of the prescriptions of the Model;
- Revocation of powers of attorney;
- Forfeiture from the position of the company to the occurrence of a cause that affects the requirements of good repute and professionalism;

- Refusal to act as administrator without revoking the mandate;
- Suspension of the right's accrual to exercise stock options;
- Blocking the exercise of the latter although already matured;
- Suspension;
- Withdrawal.

10.9 Measures and sanctions against the members of the Board of Statutory Auditors

The Auditors are not the top managers of the Company, but still adhere to the principles of the Organisational Management and Control Model and the Ethical Code, in relation to the type of function they perform in the company.

In case of violation of the rules of conduct of this Model by one or more Auditors, the Supervisory Body must immediately notify the Board of Directors and the Board of Statutory Auditors by a written report.

The latter may, following the provisions laid down by the Statute, take appropriate measures including, for example, the convocation of the Shareholders' Meeting, in order to adopt the most appropriate measures provided for by law. In the most serious cases of violation, the Board of Directors convenes the Shareholders' Meeting, proposing the dismissal of the office.

10.10 Measures and sanctions against persons outside the Company

Relations with Parties outside the Company (collaborators, agents, representatives, consultants and in general all self-employed, as well as suppliers and business partners) are regulated by appropriate written contracts that must include clauses on compliance with the fundamental principles of the Model and the Ethical Code by these external parties.

In particular, failure to comply with the same must result in the termination of law, ex art. 1456 cod. civ. , or for a just cause of the same relationships, as appropriate for the relationship in question, without prejudice to any claim for compensation if such behaviour results in material damage to the Company.

Any failure to include such clauses must be communicated by the function within which the contract operates, with due justification, to the Supervisory Body.

10.11 Reporting procedure and application of disciplinary measures

All the Recipients of the Model have the duty to report any violation of the Model or of the procedures established in implementation thereof, by anyone committed, to the Supervisory Body, without prejudice to the procedures and measures falling within the competence of the holder of the disciplinary power.

In order to protect their identity and their right to privacy, they may use the *whistleblowing* procedure adopted to regulate, encourage and protect those who, in the performance of their

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work, becoming aware of an offence and/or irregularity in the workplace, relevant for the purposes of D. Lgs. n. 231/2001, decides to report it.

After receiving the alert, the Supervisory Body must immediately make the necessary investigations, after maintaining the confidentiality of the subject against whom it is proceeding. The sanctions are adopted by the competent corporate bodies, by virtue of the powers conferred on them by the Statute or by internal regulations of the Company.

After the appropriate evaluations, the Supervisory Body will inform the holder of the disciplinary power that will initiate the procedural process for the purpose of disputes and the hypothetical application of sanctions.

Disciplinary power certainly competes with the governing body which, within the body, plays the role of employer. Without prejudice to this competence, the Supervisory Body also plays a particularly important role, which, constituting the terminal of a series of information flows relating, among other things, to the violation of the Model, carries out a driving task of exercising disciplinary action in the event that it becomes aware of violations of the Model, there is a real right-duty in this regard.

11 Communication and training

The communication within the Company and the training related to this Model are entrusted to the Board of Directors, which, in coordination with the Company's Supervisory Body, guarantees, through the most appropriate means, its dissemination and effective knowledge to those recipients.

Any modification and/or updating of this document is communicated to all company personnel through publication on the company intranet and through a special communication by the Company Management.

New employees, on the other hand, are given an information set (for example, Ethical Code, National Collective Labour Agreement, Organisational, Management and Control Model, etc.), with which to ensure them the knowledge considered of primary importance.

The communication to the other Recipients of the Model, however, is carried out by the functions directly related to the Recipients themselves. The Supervisory Body determines the modalities for the implementation of the Model to the external subjects.

It is the Company's task to implement and formalise specific training plans, with the aim of ensuring the effective knowledge of the Decree, the Ethical Code and the Model by all personnel of all company departments and functions. The provision of training must be differentiated according to whether it is addressed to Employees in general, to Employees operating in specific risk areas, to Directors, etc. on the basis of the analysis of their competences and training needs.

Staff training must be based on the following criteria:

- obligation;
- diversification;
- reiteration.

12 Whistleblowing

With the Law 30 November 2017, n. 179 containing the "Provisions for the protection of the authors of reports of crimes or irregularities that have come to know in a public or private employment relationship", the Legislator, in an attempt to harmonise the provisions provided for the public sector with the aforementioned Law, has introduced specific provisions for the entities targeted by D. Lgs. n. 231/2001 and has inserted within art. 6 of D. Lgs. n. 231/2001 three new paragraphs, that is the paragraph 2-bis, 2-ter and 2-quater.

Art. 6 in particular provides:

- In paragraph 2-bis, the Organization, Management and Control Models must provide:
 - one or more channels that allow the subjects indicated in art. 5, paragraph 1, letters a) and b), to present, to protect the integrity of the institution, detailed reports of illegal conduct, relevant pursuant to the Decree and based on precise and consistent facts, or breaches of the organisation and management model of the institution, of which they have become aware by reason of the functions performed; these channels guarantee the confidentiality of the identity of the reporting agent in the reporting management activities;
 - at least one alternative reporting channel that is capable of ensuring the confidentiality of the identity of the reporting agent by computer;
 - the prohibition of acts of retaliation or discrimination, direct or indirect, against the alerter for reasons directly or indirectly linked to the alert;
 - in the disciplinary system adopted pursuant to paragraph 2, letter e), sanctions against those who violate the measures of protection of the signaller, as well as those who make intentional or gross negligence reports that prove to be unfounded.
- In paragraph 2-ter provides that the adoption of discriminatory measures against persons who make the reports referred to in paragraph 2-bis may be reported to the Labour Inspectorate, for the measures within its competence, in addition to the signaller, also by the trade union organisation indicated by the same.
- Paragraph 2-quater governs the dismissal of the reporting entity, which is expressly qualified as "null". The change of duties pursuant to art. 2103 c.c. are qualified as "null", as well as any other retaliatory or discriminatory measures taken against the signaller.

The above-mentioned article also provides that in the event of disputes related to the provision of disciplinary sanctions, dismissals, transfers or submission of the reporting agent to another organisational measure having negative effects on working conditions, it is for the employer to prove that such measures have been taken on grounds unrelated to the report.

The Whistleblowing Law introduces into the Italian legal system a set of rules aimed at improving the effectiveness of the tools to combat corruption, as well as to provide greater protection for whistleblowers by encouraging the use of the instrument of reporting illegal conduct or violations of organisational, management and control models by burdening the employer with the burden of proving - in disputes relating to the imposition of disciplinary sanctions, assignments, dismissals, transfers or the submission of the signaller to another organisational measure following the presentation of the report with negative effects, direct or indirect, on the working condition - that such measures are based on reasons unrelated to the reporting itself (i.e. "reversal of the burden of proof in favour of the reporting agent").

12.1 The whistleblowing procedure and channels for reporting

In order to implement the additions made to art. 6 of D. Lgs. n. 231/2001, it is therefore necessary to integrate into the Model a system for the management of reports of offences that allows to protect the identity of the reporting agent and its right to confidentiality also through the introduction within the disciplinary system of specific sanctions imposed in the event of any acts of retaliation and discriminatory attitudes to the detriment of the signaller for having denounced, in good faith and on the basis of reasonable facts, unlawful conduct and/or in violation of the Model or the Ethical Code.

In order to ensure the effectiveness of the whistleblowing system, the Company has adopted a specific procedure aimed at regulating, encouraging and protecting those in the performance of their work, becoming aware of an offence and/or irregularity in the workplace, relevant for the purposes of D. Lgs. n. 231/2001, decides to report it.

Subject of the reports will therefore be:

- unlawful conduct that integrates one or more types of crime from which a liability for the institution pursuant to the Decree may arise;
- conduct that, while not including any type of offence, has been committed in contravention of rules of conduct, procedures, protocols or provisions contained within the Model or the documents attached to it.

On the other hand, questions of a personal nature of the signaller, claims or requests relating to the discipline of the employment relationship or relations with the hierarchical superior or with colleagues will not be worthy of reporting.

The reports must provide useful information to allow the subjects in charge to proceed with the due and appropriate checks and inspections (art. 6, paragraph 2-bis, D. Lgs. n. 231/2001).

Anonymous alerts are also regulated, that is, those alerts without elements that allow to identify their author. Anonymous reports will not be taken into account for the protection granted by the standard to the signaler (art. 6, paragraphs 2-ter and 2-quater, D. Lgs. n. 231/2001). Such alerts shall be subject to further verification only where they are characterised by adequately detail content and concern particularly serious irregularities.

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The recipients of the alerts, identified by the Company, are the members of the Supervisory Body.

The Company, in accordance with the provisions of the legislation, has established information channels to ensure the confidentiality of the identity of the reporting agent.

Reports may be made:

- a. by email to be sent to the specially established e-mail address odv.cypag@assiteca.it
- b. by written communication to be sent to the following address: : [Organismo di Vigilanza Cy.Pag. C/O Assiteca Consulting S.r.l. Via G. Sigieri, 14 Milano 20135.](#)

In addition, the signaller may send his report, including verbally, referring to the subjects to whom the report is addressed as identified above.

The Company and the addressees of the report act in such a way as to guarantee the reporting agents against any form of retaliation or discriminatory behaviour, direct or indirect, for reasons related, directly or indirectly, to the report.

The *Whistleblowing Policy* adopted by the Company regulates in detail the tasks and verification activities carried out by those who receive the report and aimed at verifying its validity.

In order to encourage the use of internal signalling systems and to promote the dissemination of a culture of legality, the Company clearly, accurately and fully explains the internal reporting process adopted to its employees.