



**General Principles of the
Organization, Management and Control Model
pursuant to Legislative Decree No. 231/2001**

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1. Introduction

Legislative Decree no. 231 of 8 June 2001 (hereinafter referred to as “Legislative Decree no. 231/2001” or the “Decree”), in implementation of the Government delegation by art. 11 of Law no. 300 of 29 September 2000, established the rules governing the “liability of entities for administrative offences arising from offences” which joins the criminal liability of the natural person who committed the crime.

According to the rules introduced by the Decree, in fact, companies can be held liable - and consequently be sanctioned against assets and by means of disqualification sanctions - for certain crimes committed or attempted in the interest or to the advantage of the companies themselves, by representatives of the company's top management and by those who are subject to the management or supervision of the latter.

The administrative liability of the Company is, however, excluded if the Company has, among other things, adopted and effectively implemented, prior to the commission of the offences, a Model of organization, management and control pursuant to the Legislative Decree no. 231/2001 (hereinafter Model 231 or the Model), suitable for preventing the offences themselves; the Model adopted has to be coherent with the “Guidelines” drawn up by Confindustria (the lead organization representing the manufacturing, construction, energy, transportation, ITC, tourism and services industries in Italy).

The Board of Directors of Vinavil S.p.A. on 16 November 2018 approved the last version of the “Model of organization, management and Control” pursuant to Legislative Decree No. 231 of June 8, 2001. This document “General Principles” was elaborated by Vinavil S.p.A. on the basis of the latest version of the model, approved by the Board of Directors.

2. Legal Framework

2.1. Types of offence

The entity can be held liable only for the offences expressly referred to in the Decree and these cases may be included in the following categories:

1. **Crimes in relations with the Public Administration** (such as corruption and malversation against the state, fraud against the state and cyber fraud against the state, as indicated in articles 24 and 25 of Legislative Decree no. 231/2001);
2. **Offences against public faith, such as forgery of money, public credit cards and revenue stamps**, provided for by art. 25-bis of the Decree, introduced by art. 6 of Legislative Decree no. 350/2001, converted into law, with amendments, by art. 1 of Law no. 409 of 23 November 2001, containing “Urgent provisions in view of the introduction of the Euro”, amended by Law no. 99/2009 and by Legislative Decree no. 125/2016;
3. **Corporate offences**, Article 25-ter was introduced in Legislative Decree no. 231/2001 by art. 3 of Legislative Decree 11 April 2002, 61 (as amended by Law 190/2012 and Law no. 69/2015 and Legislative Decree no. 38/2017), which, as part of the reform of company law, provided for the extension of the system of administrative liability of companies to certain corporate crimes;
4. **Crimes for the purposes of terrorism or subversion of the democratic order (including financing for this purposes)**, referred to in Article 25-quater Legislative Decree no. 231/2001;
5. **Crimes against individual freedom (such as the exploitation of prostitution, child pornography, trafficking in persons and the reduction and maintenance of slavery and illicit brokerage and exploitation of work)**, as indicated in art. 25-quinquies of the Decree, amended by Law 199/2016 and Legislative Decree no. 21/2018);

6. **Offences relating to market abuse** (abuse of other privileged and market manipulation), indicated by art. 25-sexies of Legislative Decree no. 231/2001, introduced by art. 9 of Law of 18 April 2005, no. 62 (“so-called Community Law 2004”) and then amended by Legislative Decree no. 107/2018;
7. **Crimes against life and individual safety** (such as the mutilation practices of female genital organs, referred to in art. 25-quater. 1 of Legislative Decree no. 231/2001);
8. **Transnational crime**, indicated by art. 10 of the Act of 16 March 2006, no. 146, of “ratification and execution of the United Nations Convention and Protocols against Transnational Organised Crime, adopted by the General Assembly on 15 November 2000 and 31 May 2001”;
9. **Manslaughter and serious or very serious culpable injuries**, committed in violation of the regulations on the protection of health and safety at work, Articles 589 and 590, 3 paragraph, of the Penal Code, indicated in art. 25-Septies of the Decree;
10. **Crimes of receiving stolen goods, money laundering and utilisation of money, goods or benefits of unlawful origin** governed by Legislative Decree no. 231 of 21 November 2007 and **crime of self-laundering** governed by Law no. 186 of 15 December 2014, in force from 1 January 2015, referred to in art. 25-octies;
11. **Computer crimes and unlawful processing of data**, referred to by Law 18 March 2008, no. 48 of ratification and execution of the Council of Europe Convention on Cybercrime in Budapest on 23 November 2001 and adaptation rules of the internal law, indicated in art. 24-bis;
12. **Organized crime offences**, (article 416 sixth paragraph, 416-bis, 416-ter and 630 of the c.p. and Article 407, second paragraph, letter a, no. 5, of the c.p.p.) indicated in art. 24-ter of the Decree, introduced by Law no. 94/2009 and amended by Law no. 236/2016;

13. **Crimes against industry and trade**, (articles 513, 513-*bis*, 514, 515, 516, 517, 517-*ter* e 517-*quater*, of the Penal Code, indicated in art. 25-bis. 1 of the Decree);
14. **Counterfeiting and alteration of trademarks or distinctive signs and introduction into the state of products with false signs** (referred to in articles 473 and 474 of the Penal Code, as set out in article 25-bis of Legislative Decree no. 231/2001);
15. **Crimes concerning infringement of copyright** (referred to in art. 25-novies of Legislative Decree no. 231/2001);
16. **Incitement not to make statements or to make false statements to the judicial authorities** (referred to in article 25-decies of the Decree);
17. **Environmental crimes**, recalled by art. 25-undecies of Legislative Decree no. 231/2001, introduced by Legislative Decree no. 121/2011 and amended by Law 68/2015 and Legislative Decree no. 21/2018. The company is responsible for the offences of articles 452-bis, 452-quater, 452-sexies, 452-quinquies c.p., 452-octies c.p., 727-bis and 733-bis of the penal code, some articles provided by the Legislative Decree no. 152/2006 (Single Text on Environmental Issues), articles of Law 150/1992 to protect endangered animal and plant species and dangerous animals, art.3. paragraph 6 of the Law no. 549/1993 referring to the protection of the stratospheric ozone and of the environment, articles of Legislative Decree no. 202/2007 referring to the pollution created by the ships.
18. **Crime of using citizens of third party countries whose stay is irregular** (provided for in article 25-duodecies of the Decree, subsequently amended by Law no. 161/2017);
19. **Crimes of racism and xenophobia**, introduced by the Law 20 November 2017 no. 167, recalled by art. 25-terdecies, Legislative Decree no. 231/2001 and modified by Legislative Decree no. 21/2018.

2.2. Attempted crimes

In the event of the commission, in the form of an attempt, of offences sanctioned on the basis of Legislative Decree no. 231/2001, the pecuniary sanctions (in terms of amount) and disqualification sanctions (in terms of duration) are reduced by one third to one half. The imposition of sanctions is excluded in cases in which the entity voluntarily prevents the performance of the action or the realization of the event (art. 26 of Legislative Decree no. 231/2001).

The exclusion of penalties is justified, in this case, by virtue of the interruption of any relationship of identification between companies and individuals who assume to act in his name and on his behalf. This is a particular hypothesis of the so-called “active withdrawal”, provided by art. 56, paragraph 4, C.P..

2.3. Authors of the offence: persons in top positions and persons subject to the directions of others

As mentioned above, according to Legislative Decree no. 231/2001, the Company is liable for offences committed in its interest or to its advantage:

- by “persons who hold positions of representation, administration or management of the entity or one of its organizational units with financial and functional autonomy, as well as by persons who exercise, even de facto, the management and control of the company itself” (the above defined persons “in a top position” or “top management”; art. 5, paragraph 1, letter a), of Legislative Decree no. 231/2001);
- by persons subject to the management or supervision of one of the top management (the so-called subjects subject to the management of others; art. 5, paragraph 1, letter b), of Legislative Decree no. 231/2001.

It is also appropriate to reiterate that the Company is not liable, by express legislative provision (art. 5, paragraph 2, of Legislative Decree no. 231/2001), if the persons indicated above have acted in their own exclusive interest or of third parties.

2.4. Offences committed abroad

According to art. 4 of Legislative Decree no. 231/2001, the company may be called to answer in Italy in relation to crimes - covered by Legislative Decree no. 231/2001 - committed abroad. The Explanatory Report to Legislative Decree no. 231/2001 underlines the need not to leave out of sanction a frequently verified criminal situation, also in order to avoid easy circumvention of the entire regulatory framework in question.

The assumptions (foreseen by the norm or deductible from the Legislative Decree no. 231/2001) on which the company's liability for crimes committed abroad are indicated in the Artt. 7-10 of the Penal Code.

2.5. Examination of suitability

The Company's liability, attributed to the criminal judge, is ascertained (in addition to the opening of an ad hoc process in which the institution is equated to the natural person) by means of:

- verification of the existence of the crime that is a prerequisite for the Company's liability;
- the review of suitability of the adopted 231 Model.

3. Organization, Management and Control Model

3.1. Elements of the Model

A fundamental aspect of Legislative Decree no. 231/2001 is the attribution of an exempt value to the Company's Organization, Management and Control Model.

In the case of a committed offence by a person in a top position, in fact, the Company is not liable if it proves that (art. 6, paragraph 1, Legislative Decree no. 231/2001):

- a) the management body has adopted and effectively implemented, before the offence was committed, organization and management models suitable for preventing offences of the type that have occurred;
- b) the task of supervising the functioning of and compliance with the model and of updating them has been entrusted to a Supervisory Body of the Company with autonomous powers of initiative and control;
- c) the persons have committed the offence by fraudulently circumventing the Model;
- d) there has been no omission or insufficient supervision by the Supervisory Body.

The Explanatory Report of the Decree 231/2001 underlines that: “it starts from the presumption (empirically founded) that, in the case of a crime committed by an individual in a top position, the “subjective” requirement of responsibility of the company [i.e. the so called “organizational fault” of the company] is satisfied, since the management expresses and represents the company's policy; if this does not happen, the company will have to demonstrate its extraneousness, and this can only be done by proving the existence of a series of competing requirements between them.”

In the case, on the other hand, of an offence committed by persons subject to the direction or supervision of others, the Company is liable (art. 7, paragraph 1 Legislative Decree no. 231/2001) if the commission of the offence was made possible by the violation of the management or supervision obligations to which the Company is subject.

In any case, the violation of the obligations of management or supervision is excluded if the Company, before the crime was committed, has adopted and effectively implemented a Model 231 suitable for preventing crimes of the type of the one that has occurred.

Legislative Decree no. 231/2001 outlines the content of the 231 Model, providing that the same, in relation to the extension of delegated powers and the risk to commit an offences, must:

- identify the activities in the context of which crimes may be committed;
- provide for specific protocols aimed at planning the formation and implementation of the Company's decisions in relation to the offences to be prevented;
- identify ways of managing financial resources that are suitable for preventing the commission of offences;
- provide for obligations to inform the Supervisory Body responsible for supervising the functioning of and compliance with the Model;
- introduce a disciplinary system suitable for sanctioning non-compliance with the measures indicated in the Model.

The Legislator has also defined the requirements for the effective implementation of the aforementioned Model with Article 7, paragraph 4, of Legislative Decree no. 231/2001:

- (i) the periodic verification and possible modification of the Model when significant violations of the provisions are discovered or when changes in the organization and activity take place;
- (ii) a disciplinary system suitable for sanctioning non-compliance with the measures indicated in the Model.

3.2. Model's Recipients

All those who work to achieve the purpose and objectives of Vinavil S.p.A. are recipients of the Model.

The recipients of the Model are obliged to comply with the utmost correctness and diligence all the provisions and protocols contained therein, as well as all the procedures for the implementation of it.

4. The Supervisory Body of Vinavil S.p.A.

4.1. Members

Based on the provisions of Legislative Decree 231/2001 (art. 6, first paragraph, lett. b), the person to whom the governing body must entrust the task of verifying the functioning and compliance of the model and of taking care of its updating must be “a body of the institution endowed with autonomous powers of Initiative and Control” (hereinafter, “Supervisory Body”).

The Supervisory Body is equipped in accordance with art. 6, paragraph 1, lett. b), of Legislative Decree no. 231/2001 of “autonomous powers of initiative and control”.

The necessary autonomy of the supervisory body is ensured, because of the position recognized to the functions mentioned in the context of the company organization chart and of the carrying-over lines attributed to it.

In order to assist the definition and conduct of the activities of competence and to allow maximum adherence to the requirements and duties of law, the Supervisory Body may avail itself of specialised resources existing within the company and of external resources.

4.2. Designation

The Supervisory Body of Vinavil is established with the resolution of Board of Directors who approves the Model referred to in this document. Upon appointment, the Board of Directors must acknowledge the assessment of the existence of the requirements of independence, autonomy, integrity and professionalism of its members.

The composition, modifications and integrations of the Supervisory Body are approved by the Board of Directors’s deliberation.

The duration in office of the external members is three-year, the external members lapse at the date of the Assembly of the Associates convened for the approval of the financial report relating to the last practice of its role, while continuing to carry on with his role until new appointment of members of the Supervisory Body.

Without prejudice to the hypothesis of a revision of the role of the Supervisory Body on the basis of experience gained, it will form a reason for replacing or integrating the composition of the Supervisory Body:

- the assignment of tasks, roles and/or responsibilities within the organisational structure incompatible with the requirements of “autonomy and independence” and/or “continuity of action” of the Supervisory Body;
- the end or waiver of the Supervisory Body's member to the corporate purpose and/or the role covered;
- the end or waiver of the member of the Supervisory Body imposed by personal motivations.

Constitute grounds for ineligibility and/or revocation of individual members of the Supervisory Body:

- (i) Relations of kinship, conjuge or affinity within the IV degree with the Sole Administrator, persons who have roles of representation, administration or management of the company or of an organizational harmonies endowed with financial autonomy and Functional as well as people exercising-even in fact-the management and control of the company, mayors of the company and the auditing firm;
- (ii) conflicts of interest, including potential conflicts of interest, with the Company such as to prejudice the independence required by the role and duties of the Supervisory Body;
- (iii) direct or indirect ownership of shareholdings of such a size as to enable them to exercise significant influence over the Company;
- (iv) administration functions - in the three financial years prior to appointment as a member of the Supervisory Body or to the establishment of the consultancy/collaboration relationship with the same Body - of companies subject to bankruptcy, compulsory administrative liquidation or other insolvency procedures;
- (v) Public employment at central or local government in the three years preceding the appointment as a member of the Supervisory Body;
- (vi) Sentence of conviction, also not passed in judgment, or application of the penalty on request (so-called “plea-bargain”), in Italy or abroad, for the relevant violations for the administrative responsibility of the Entities pursuant to the Decree;

- (vii) Conviction, even if not passed into judgment, that is, a sentence of “plea bargain” to a penalty which imports, even temporarily, the prohibition from the public offices, or the temporary prohibition by the managerial offices of legal persons and undertakings.

Where any of the above-mentioned reasons for replacement or integration or ineligibility and/or revocation were to be borne by a member, they shall give immediate notice to the other members of the Supervisory Body and automatically he will forfeit from his role. The Supervisory Body shall communicate the news and the replacement proposal to the Sole Administrator.

In some particular cases, the Sole Administrator may suspend the functions and/or powers of the Supervisory Body and the appointment of a interim or the withdrawal of powers. It shall constitute grounds for suspension or withdrawal:

- omitted or insufficient vigilance on the part of the Supervisory Body resulting from a judgment of conviction, even if not passed in judgement, issued against the Company pursuant to Legislative Decree no. 231 of 2001 or by sentence of application of the penalty on request (plea for agreement);
- serious failure to fulfil the functions and/or powers of the Supervisory Body.

4.3. Functions, powers and budget of the Supervisory Body

The tasks of the Supervisory Body are defined as:

- the supervision of the effectivity of the 231 Model; monitoring of the implementation and the updating of the 231 Model;
- examining the adequacy of Model 231, i.e. of its effectiveness in preventing illicit behaviour;
- the analysis on the maintenance, in time, of the solidity and functionality requirements of the 231 Model; promotion of the necessary update, in a dynamic sense, of the Model 231;
- the approval of the annual programme of supervisory activities in the framework of the Company's structures and functions (hereinafter the “Supervisory Programme”), in line with the principles and contents of Model 231 and with the verification and control plan for the system of Internal control; the coordination of the implementation of the Supervisory Programme and the implementation of planned

and unprogrammed control interventions; the examination of the results of the activities carried out and its reporting; elaboration of directives for business functions;

- care of the information flows of competence with the company functions;
- any other task attributed by law or Model 231.

During the execution of the tasks assigned, the Supervisory Body has unrestricted access to company information for investigation, analysis and control activities. Information is required, in the light of any company function, employee and/or component of the social organs, in the face of requests from the Supervisory Body, or the occurrence of relevant events or circumstances, in order to carry out the activities of the Supervisory Body.

The Supervisory Body is entitled, with autonomous powers of representation, to conclude, modify and/or resolve professional assignments to third parties possessing the specific competences necessary for the best execution of the task.

4.4 Information flows to and from the Supervisory Body

4.4.1 Reporting of the Supervisory Body to the corporate bodies

The Supervisory body shall report on the implementation of the Model, the emergence of any critical aspects, the need for amending interventions. There are distinct reporting lines:

The Supervisory Body:

- i) reports to the Sole Administrator, making it aware, whenever it deems appropriate, on significant circumstances and facts of its office. The Supervisory Body immediately communicates the occurrence of extraordinary situations (for example: significant violations of the principles contained in the Model, legislative innovations in the field of administrative liability of institutions, etc.) and urgent reports;
- ii) presents a written report, on a periodic basis at least half-yearly, to the Sole Administrator, who shall contain, at least, the following information:
 - a) the summary of the activities carried out during the period and a plan of the activities envisaged for the following period;
 - b) any problems or criticalities arising during the course of the supervisory activity;
 - c) if not subject to previous and appropriate warnings:

- the corrective actions to apply in order to ensure the efficacy and/or effectiveness of the Model, including those necessary to remedy the organizational or procedural deficiencies established and suitable to expose the company to the danger that are committed relevant crimes for the purposes of the decree, including a description of any new “sensitive” activities identified;
 - always respecting the terms and modalities indicated in the system of penalties adopted by the company under the Decree, the indication of the established behaviors and results not in line with the Model, with a contextual proposal about the penalty deemed most appropriate to the person responsible for the infringement or the function and/or process and/or the area concerned;
- d) the report of the warnings received from internal and external entities, including as directly found, in order to alleged violations of the forecasts of this Model, the prevention protocols and the related implementation procedures and the infringement of the Code of Ethics, and the outcome of the consequent verifications carried out;
- e) information on the possible commission of crimes relevant to the Decree;
- f) the disciplinary measures and any sanctions applied by the Company, with reference to violations of the forecasts of this model, the prevention protocols and the related implementation procedures, and the violations of the forecasts of the Code of Ethics;
- g) the reporting of any changes in the regulatory framework and/or significant modifications of the Company's internal structure and/or the methods of carrying out business activities that require an update of the Model;
- h) the reporting of any conflict of interest situation, even potential of a member of the Supervisory Body;
- i) Any proposals to update the Model.

In addition to these flows, the Supervisory Body has the duty to report to the Board of Directors— promptly, when necessary, or at least in the semi-annual report – facts, circumstances or organisational deficiencies encountered in the supervisory activity which highlight the need or the opportunity to modify or integrate the Model.

The Board of Directors and the Board of Auditors are empowered to summon the Supervisory Body at any time so that they may inform them of their activities.

Meetings with the corporate bodies to which the Supervisory Body relates must be documented. The Supervisory Body takes care of the archiving of the relevant documentation.

4.4.2 Reporting to the Supervisory Body

The Supervisory Body must be promptly informed, by means of a special communication system, of those acts, behaviors or events that may lead to a violation of the 231 Model or which, more generally, are relevant for the purposes of Legislative Decree no. 231/2001.

All Recipients of the Model communicate all useful information to the Supervisory Body to facilitate the performance of the checks on the correct implementation of the Model.

In particular, the Managers of Organizational Units operating in the context of sensitive activities must transmit to the Supervisory Body: i) at the deadlines previously agreed, the so called “information flows”, i.e. the list of operations/transactions that fall within the “sensitive” activities envisaged by the Company's Model; ii) any anomalies or atypicalities found within the available information. Furthermore, should they encounter areas of improvement in the definition and/or application of the control standards defined in this Model, they will promptly report these circumstances to the Supervisory Body.

The following general requirements apply in this respect:

- the Supervisory Body evaluates at its discretion and under its responsibility the received reports and the cases in which it is necessary to act¹;
- the resolutions in order of the outcome of the investigation must be justified in a written form.

The obligation to inform on any contrary behaviour to the provisions contained in the Model is part of the broader duty of diligence and obligation of loyalty of the working

¹ “It should be clarified that, the information provided to the Supervisory Body aims to enable it to improve its control planning activities and not, instead, to impose on it timely and systematic verification of all the phenomena represented. In other words, the Supervisory Body does not have an obligation to act whenever there is a report, being left to its discretion and responsibility to establish in which cases to take action.” Confindustria, Guidelines, page 45.

provider. The correct fulfilment of the obligation of information on the part of the work provider cannot give rise to the application of disciplinary sanctions².

The Company adopts appropriate and effective measures to ensure that confidentiality is always ensured as to the identity of those who transmit to the Supervisory Body useful information to identify behaviour that is not in accordance with the Model, the procedures established for its implementation and procedures established by the internal control system, without prejudice to statutory obligations and the protection of the rights of the Company or persons wrongly accused and/or in bad faith.

Any form of retaliation, discrimination or penalisation against those who carry out good faith reports to the Supervisory Body is prohibited. The Company reserves every action against anyone who performs in bad faith untruthful reports.

4.4.3 Whistleblowing

Pursuant to Article 6, paragraph 2-bis of this Decree, specific reporting channels are made available to the recipients of this Model 231 in order to highlight unlawful conduct based on precise and consistent factual elements.

This can affect possible violations with respect to what is expected:

- from Legislative Decree no. 231/01;
- from this Model;
- from the Group's Code of Ethics;
- from the internal documents adopted by the Company in implementation thereof (e.g. procedures and policies).

The warnings will be collected through the following channels:

² “Through the regulation of the modalities of compliance with the obligation of information it is not intended to incentivize the phenomenon of the reporting of the so called internal rumors (whistleblowing), but rather to implement that system of reporting of facts and/or real behaviors that does not follow the hierarchical line and that allows staff to report cases of violation of rules by others within the institution, without fear of retaliation. In this sense, the Supervisory Body also assumes the characteristics of the Ethic Officer, without - however - giving it disciplinary powers that it will be appropriate to allocate in a special committee or, finally, in the most delicate cases to the Board of Directors.” Confindustria, Guidelines, page 47.

- through the electronic mail box dedicated to the Supervisory Body (odv@vinavil.it), a channel that guarantees, with computerized methods, the confidentiality of the identity of the reporter;
- in printed and confidential form, by ordinary mail addressing them to: Vinavil S.p.A.– Cortese Attenzione dell’Organismo di Vigilanza – Via Valtellina 63 20159 Milano;
- through the portal for the reports that is being implemented at all Italian companies of the Mapei group, linking to the information portal that will be communicated by an official communication to all the employees.

The alerts will be managed in line with respect to the provisions of the internal organizational provisions adopted by the Company in the field of Whistleblowing,

The company guarantees the confidentiality of the identity of the reporter under Law no. 179/2017.

It is also prohibited to retaliate or discriminate, whether direct or indirect, against the informer reasons connected, directly or indirectly, to the reporting.

It is also pointed out that, under art. 6, paragraph 2-bis, letter d), of Legislative Decree no. 231/01, in addition to the provisions of Chapter 5 “Elements of the Structure of the Disciplinary System”, there are additional sanctions “against those who violate the measures of protection of the whistleblower, as well as those who carry out with malicious or guilty reports that are found to be unfounded” (see Chapter 5 for more details).

5. Structure's elements of disciplinary system

5.1 Function of the disciplinary system

Article 6, paragraph 2, lett. e) and art. 7, paragraph 4, lett. b) of Legislative Decree no. 231/2001 establish (with reference to the persons in senior positions, the Key Officers and persons subject to the management of others) the necessary preparation of “*a suitable disciplinary system to sanction non-compliance with the measures indicated in the Model*”.

The definition of penalties, commensurate with the violation and equipped with deterrence, applicable in the event of a violation of the measures contained in the Model, is intended to contribute: (i) to the effectiveness of the Model itself, and (ii) to the effectiveness of the control action of the Supervisory Body.

The application of the system is independent of the conduct and of the outcome of the criminal proceedings, which may have been initiated by the competent judicial Authority.

5.2 Measures against employed persons

The violation of the individual provisions and rules of conduct referred to in the Model by Vinavil employees is always a disciplinary wrongdoing.

The Company asks its employees to report any violations and the same currency in a positive way the contribution made, even if the person who made the report contributed to that violation.

For the investigation of the infringements concerning the Model, the disciplinary proceedings and the enforcement of the related sanctions, the powers already granted, within the limits of the respective proxies and powers, to Vinavil's Managing Director remain valid.

Regarding the type of penalties imposed, in the case of a subordinate employment relationship, any sanction must comply with the procedures provided by art. 7 of the Workers' Statute, characterized, in addition to the principle of typical violations and also by the principle of typical sanctions.

In addition to the details in the following paragraphs, pursuant to art. 6, paragraph 2-bis of Legislative Decree no. 231/2001, as amended by Law no. 179/2017, the employee is punished if, in breach of the internal procedures provided by the Model in matters of Whistleblowing, or by adopting a conduct that does not comply with the requirements of the Model, acts of retaliation or discrimination, direct or indirect, against the reporter for related reasons, directly or indirectly, to the reporting; or make serious reports with misconduct or gross negligence that prove to be unfounded.

5.3 Measures against non-executive employees

The conduct of employees in violation of the behavioural rules contained in the Model and Code of Ethics constitutes non-compliance with a primary obligation of the relationship and, consequently, constitutes a Disciplinary offence.

In relation to the measures applicable to non-executive employees, the Company's sanction system finds its primary source in the following National Collective Labor Agreements (CCNL) applied:

- Chemical National Collective Labor Agreement³;

It should be stated that the penalty imposed must be proportionate to the seriousness of the violation committed and, in particular, it will have to take into account:

- of the subjective element, thus, the intentionality of the behaviour or degree of guilt (negligence, recklessness or impertinence);
- of the overall behaviour of the employee with particular attention to whether or not disciplinary precedents are set;
- the level of responsibility and autonomy of the employee who is the perpetrator of the disciplinary offence;
- the involvement of other people;
- the seriousness of the effects of disciplinary offence, that is the level of risk to which the company can reasonably be exposed as a result of the disputed breach;
- of other special circumstances that are related to the offence.

³ See the most recent version “Agreement for the renewal of the National Collective Labor Agreement for employees in the chemical, chemical-pharmaceutical, fiber and abrasive, lubricating and LPG sectors”, which states “On October 15, 2015 between Federchimica, Farindustria and FILCTEM- CGIL, FEMCA, UILTEC-UIL have agreed to renew this CCNL, which runs from 1 January 2016 to 31 December 2018”.

The disciplinary measures that employees may incur in the event of violation of the Model are the following:

- 1) verbal warning;
- 2) written warning;
- 3) a fine not exceeding the amount of four hours of remuneration;
- 4) suspension from work and pay for a maximum of eight days;
- 5) dismissal with notice replacement allowance (or dismissal for justified subjective reason);
- 6) dismissal without notice (or dismissal for a good cause).

The conduct of the application of disciplinary sanctions pursuant to Legislative Decree no. 231/2001 are as follows:

1. The employee who omits to perform with due diligence the tasks and duties provided by internal procedures or violates the requirements of the Model and the documents referred to by it in relation to information to the Supervisory Body or controls to be or that, in any case, in the performance of activities classified as “sensitive” to the senses and effects of the Model incur shall incur a slight violation for the first time of the provisions of the Model, provided that from that violation does not fall for the company externally have a greater negative impact.

In the conduct in question, a lack of punishment is found to be punishable by the disciplinary sanction of verbal or written reprimand depending on the seriousness of the violation committed.

2. The employee who, on several occasions, omits to perform with due diligence the tasks and tasks provided by internal procedures or violates the requirements of the Model and the documents referred to by it in relation to information to the Supervisory Body or controls to be carried out or that, in any case, in the performance of activities classified as “sensitive” to the senses and effects of the Model, repeatedly adopts a non compliance behavior that does not comply with the requirements of the Model.

The behavior in question is recognized as a lack punishable by the disciplinary sanction of the fine behaviour is sanctionable with a fine.

3. The employee who omits to perform with due diligence the tasks and duties provided by internal procedures or violates the requirements of the Model and the documents referred to by it in relation to information to the Supervisory Body or controls to be or that, in any case, in the performance of activities classified as “sensitive” to the senses and effects of the Model, adopts a behavior that does not comply with the requirements of the Model, carrying out acts contrary to the interest of the company, exposing the a situation of danger to the integrity of the company's assets.

This behavior can be punished with a disciplinary sanction of suspension up to 1 day.

4. The employee who, in violating the internal procedures provided by the Model, by adopting, in the performance of activities classified as “sensitive” to the senses and effects of the Model, a behavior that does not comply with the requirements of the Model, causes damage to the company by performing acts contrary to the interest of the same, i.e. the worker who is reoffending more than the third time in the year in the shortcomings referred to the points 1, 2 and 3.

The behavior in question is identified as a lack punishable by the disciplinary sanction of the suspension from the service and from the 3-day remuneration.

5. The employee who adopts, in the performance of activities classified as “sensitive” to the senses and effects of the Model, a conduct that does not comply with the requirements of the Model and is uniquely directed to the fulfillment of a crime sanctioned by Legislative Decree no. 231/2001.

The behavior in question is recognized as a lack punishable by the disciplinary sanction of dismissal with notice (dismissal for justified subjective reason).

6. The employee who adopts, in the performance of activities classified as “sensitive” to the senses and effects of the Model, a conduct in violation of the requirements of the Model such as to determine the concrete application of the company of Legislative Decree no. 231/2001, as well as the worker who is a repeat offender more than the three times in a year of the shortcomings referred to in paragraph 4.

The behavior can be punished with the disciplinary sanction of dismissal without notice (dismissing for good cause).

5.4 Measures against executives

The Company's executives, in the course of their professional activity, they have an obligation both to comply and to enforce the requirements contained in the Model to their employees.

The Company enforces the National Collective Labor Agreement for Industry Executives for Executive Employees.

It is to be considered to be sanctionable, as an example, for violation of the provisions contained in the Model, the misconduct put in place by the executive who:

- omits to supervise the staff that is hierarchically employed to him, to ensure compliance with the provisions of the Model for the conduct of activities in areas at risk of crime and for instrumental activities in operational processes at risk of crime;
- does not report any observances and/or anomalies related to the fulfillment of the obligations referred to in the Model, if he has known, such as to render ineffective the Model, resulting in potential danger to the Company imposition of sanctions referred to in Legislative Decree no. 231/2001;
- does not report to the Supervisory Body critical issues concerning the conduct of activities in areas at risk of crime, which are found during the monitoring by the authorities in charge;
- he incurs one or more serious violations of the provisions of the Model, such as to result in the commission of the crimes covered in the Model, thus exposing the Company to the application of sanction pursuant to Legislative Decree no. 231/2001.

In the event of a breach of the provisions and rules of conduct contained in the Model by an executive, Vinavil, on the basis of the principle of seriousness, recidivism, direct non-compliance, non-supervision, adopts the measure deemed most appropriate in accordance with the provisions of the contractual regulations and applicable legislation.

If the violation of the Model defined from the lack of the relationship of trust between the Company and the Executive, the penalty is identified in the dismissal

5.5 Measures against the Board members

The Supervisory Body informs the Board of Auditors (Collegio Sindacale) of the news of a violation of the Model committed by the Board members. The Board of Auditors undertakes the necessary investigations and takes appropriate action.

5.6 Measures against Statutory Auditors

On the news of the violation of the regulations and rules of conduct of the Model by one or more statutory auditor, the Supervisory Body must promptly inform the other members of the Board of Auditors and the Sole Administrator.

5.7 Measures against the Supervisory Body

In the case of negligence and/or impertinence of the Supervisory Body in monitoring the correct application of the Model and its compliance and in not having been able to identify cases of violation at the same, defining the necessary corrective actions, the Sole Administrator will take appropriate action in accordance with the current legislation, including the revocation of the role and save the compensation claim.

5.8 Measures against commercial partners, consultants or other subjects having contractual relationships with the Company

The violation by commercial partners, consultants, or other subjects having contractual relationships with the Company for carrying out activities deemed sensitive to the provisions and rules of conduct provided by the Model applicable thereto, or the possible commission of the crimes contemplated by the Decree by the same, will be sanctioned in accordance with the specific contractual clauses that will be included in the relative contracts.

These clauses, making explicit reference to compliance with the provisions and rules of conduct set out in Model 231, may provide, for example, for the obligation on the part of these third parties not to adopt acts or behave in such a way as to result in a violation of the Model 231 by the Company.

In the event of a breach of this obligation, the Company must be entitled to terminate the contract with possible application of penalties.

The right of the Company to provide for the application of sanctions in the event of violation of such obligations and to request compensation for damages remains unaffected.

6. Controls System

The system for the prevention of offences perfected by the Company, based on the indications provided by Confindustria's guidelines and international best practices, has been implemented by applying to each sensitive activity:

- general control standards, applicable to all sensitive activities considered;
- specific control standards applicable to each of the sensitive activities for which they are identified.

The general control protocols based on the tools and methodologies used to structure the specific control principals can be summarised as follows:

- **Segregation of duties:** the system must ensure the application of the principle of separation of functions, whereby the authorization to perform an operation must be under the responsibility of a person other than the one who accounts, executes operatively or controls the operation.

Furthermore, it is necessary that: i) to no one be attributed unlimited powers; ii) powers and responsibilities are clearly defined and known within the organisation; iii) the licensing and signing powers are consistent with the organizational responsibilities assigned.

This segregation is ensured by the intervention, within the same macro-business process, of several subjects to guarantee independence and objectivity of the processes. The separation of functions is also implemented using computer systems that enable certain operations only to identified and authorized persons. Segregation is assessed by considering the sensitive activity in the context of the specific membership process and considering the complexity of the same activity.

- **Traceability:** for each operation there must be an adequate documentary support on which we can proceed at any time to carry out checks that attest to the characteristics and motivations of the operation and identify those who have authorized, effected, recorded, verified the operation itself and, in any case, are governed with detail the cases and modalities of possible possibility of cancellation or destruction of the recordings made.

The safeguarding of data and procedures in the computer field can be ensured by adopting the security measures already provided for by Legislative Decree no. 196/2003 (Code on the protection of personal data) for all data processing carried out with Electronic instruments.

- **Proxies and powers of attorney:** the authorization and signature powers assigned must be: i) consistent with the organizational and managerial responsibilities assigned, providing, where required, indication of the thresholds for approving expenditure; ii) clearly defined and known within the Company. Corporate roles are defined to which the power to bind the Company in certain expenses is assigned, specifying the limits and the nature of the expenses. The attributive act to functions must comply with the specific requirements required by law (e.g. delegation in the field of health and safety of workers). In addition to the adoption of general and specific proxies, proxies are adopted between the companies of the Group to carry out specific centralized activities, regulated by service contracts.
- **Regulation:** the existence of business provisions suitable to provide principles of conduct, operational modalities for the performance of sensitive activities and methods of archiving relevant documentation (such as procedures, policies, guidelines and internal regulations as well as organizational provisions and service orders).
- **Monitoring activities:** it is aimed at the periodic/timely updating of proxies, delegations of functions and of the control system, in coherence with the decision-making system and with the whole structure of the organizational facility. Finally, the protocol provides for the existence of process controls.

The specific control protocols are incorporated, together with the general control protocols, into the individual company procedures that govern the types of sensitive activities listed in the Organization, Management and Control Model of Vinavil SpA in relation to the individual types of crime for which Vinavil has considered to implement a dedicated company procedure.

7. Training and communication general principles

7.1 Introduction

Wide disclosure is given, inside and outside the structure, of the content in the Model. According to the Confindustria Guidelines, communication and training of the staff are important requirements for the implementation of the Model, as specifically prescribed by the Decree.

Vinavil is committed to facilitating and promoting Key Officer knowledge and understanding of the Model, with a degree of diversity in which it differs depending on the position and roles within the Company, and to respect and apply the Model as well as to proactively participate in keeping employees informed.

The communication and training activity is supervised by the Supervisory Body, which is assigned, among others, the tasks of “promoting initiatives for the dissemination of knowledge and understanding of the Model, as well as for the training of the awareness of the same to comply with the principles contained in the Model” and to “promote communication and training on the contents of the Legislative Decree no. 231/2001, on the impacts of the legislation on the company's business activities and behavioural standards.”

7.2 Employees

Each employee is required to: i) acquire awareness of the contents of Model 231 ii) know the operating methods with which their activities must be carried out; iii) actively contribute, in relation to their role and responsibilities, to the effective implementation of Model 231, pointing out any shortcomings found in it.

In order to guarantee an effective and rational communication activity, the Company promotes the knowledge of the contents and principles of the Model 231 and of the implementation procedures within the organization applicable to them, with a different degree of detail depending on the position and the role covered.

Employees and new employees are given a copy of Model 231 and the Code of Ethics or are guaranteed the opportunity to consult them directly on the company Intranet in a dedicated area.

In any case, for employees who do not have access to the Intranet, this documentation must be made available to them by alternative means such as posting on company notice boards.

The managers of the individual Organizational Units assist the Supervisory Body in identifying the best way to use the Model's principles and content training services, in particular for those working in the field of activities considered sensitive under Legislative Decree 231/2001 (e.g. staff meetings, online courses, etc.).

At the end of the training event, the participants fill out a form, thus confirming the receipt and attendance of the course.

The compiling and sending of the form will serve as a declaration of knowledge and observance of the contents of Model 231.

Appropriate communication tools will be adopted to update the addressees of this paragraph about any changes made to the 231 Model, as well as any significant procedural, regulatory or organizational changes.

The Supervisory Body monitors the level of implementation of the Model through periodic specific checks.

7.3 Members of the corporate bodies and persons with representative functions of the Company

The members of the corporate bodies, Key Officers and persons with representation functions (attorneys) of the Company are made available a paper copy of the full version of the Model and of the Code of Ethics at the time of acceptance of the office assigned to them and will be made to sign their declaration of observance of the principles contained in them.

Suitable communication tools will be adopted to update them about any changes made to the Model, as well as any relevant procedural, regulatory or organizational change.

7.4 Other recipients

The activity of communicating the contents of the Model must also be addressed to third parties who have contractual relations with the Company (for example: consultants,

brokers and other independent collaborators) with particular reference to those who operate in the scope of activities deemed sensitive pursuant to Legislative Decree no. 231/2001.

To this end, the Company determines:

- the types of legal relationships with persons outside the Company, to which the Model's requirements should be applied, due to the nature of the activity;
- the communication methods of the “Principles of Model 231” and the Code of Ethics to the external stakeholders and the procedures necessary to comply with the rules contained in them in order to ensure their actual knowledge.

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