

PASOLINI PASOLINI

Organizational,
Management, and
Control Model pursuant
to Legislative Decree
no. 231 of June 8, 2001

Code of Etichs

Adopted by
Pasolini Luigi S.r.l.
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FOREWORD - Ethical Principles and Core Values

1. Code Objectives

This Code expresses the commitments made by the directors, employees and collaborators of Pasolini Luigi S.r.l. in the performance of their work.

Compliance with the Code is essential to ensure the proper functioning, reliability and reputation of the Company, to reasonably prevent unlawful conduct and to avoid any involvement of Pasolini Luigi S.r.l. in the possible realisation of criminal conduct.

For 60 years, Pasolini General Contractor Group's mission has been to create tailor-made solutions to meet, interpret and crown the needs of its customers in the retail, large-scale retail trade and industrial sectors. From the single object to the grand display, passion, care, value and the highest expression of detail are synonymous with a brand that understands the present to anticipate change, every step of the way. Ethical behaviour must be an indispensable value for Pasolini Luigi S.r.l. and honesty, moral integrity, transparency, reliability and sense of responsibility must be the distinguishing principles of all the Company's activities. The Code defines the guidelines that guide the behaviour of Pasolini Luigi S.r.l. in its internal relations and in its relations with the outside world.

1.1. Mission and Ethical Vision

Pasolini Luigi S.r.l. (hereinafter also referred to as "the Company"), in order to define with clarity and transparency the set of values by which it is inspired to achieve its objectives, has drawn up this Code of Ethics, compliance with which is essential for the proper functioning, reliability, reputation and image of the Company, essential connotations for the pursuit of the Company's purpose.

The main objective recognised and pursued by Pasolini General Contractor is to be a leader among Italian general contractors, offering "turnkey" solutions for the furnishing and visual communication of shops, pharmacies and parapharmacies, boutiques, large spaces, flagship stores, outlets, temporary stores, shop-in-shops, corners, concept stores, the whole food world and general contractors for luxury retail. Further aim is to interpret with precision, elegance and flexibility the change that the market demands.

Listening and understanding are key values of Pasolini Luigi S.r.l.'s philosophy, so as to lead the latter to the desired result through experience and flawlessness at every stage of the project.

Pasolini Luigi S.r.l. intends to pursue its objectives by seeking the best balance between the interests involved, in compliance with all legal requirements and the principles of honesty, impartiality, reliability, fairness, transparency and good faith.

Therefore, this Code of Ethics represents an official document of the Company containing a set of principles of "corporate ethics" aimed at regulating the Company's activities through rules of conduct useful for preventing the commission of the offenses set forth in Legislative Decree no. 231/2001, as well as engaging in conduct that is contrary to the values that the Company intends to promote.

The Company shall carry out its corporate purpose in compliance with the pro-

visions of this Code of Ethics, to which the members of the corporate bodies, employees and collaborators shall conform, both in internal relations and in relations with third parties, within the scope of their respective competencies and in relation to the position they hold in the corporate organisation.

The Code also provides for a disciplinary system aimed at sanctioning non-compliance with the measures indicated therein and those indicated in the “Organization, Management and Control Model” adopted pursuant to Legislative Decree no. 231/2001.

2. Scope and Updating

The addressees of the Code of Ethics are the members of the corporate bodies, employees and contractors of Pasolini Luigi S.r.l., who are obliged, to the extent of their respective competences, to comply with the provisions therein.

The Company requires its suppliers, principals, customers, consultants, and anyone who in various capacities collaborates with it, to comply with the rules of this Code of Ethics in the parts applicable to them. The Company declares that it is free not to enter into or continue any relationship with anyone who demonstrates that they do not share the content and spirit of this Code of Ethics and violates its principles and rules of conduct.

The Company reserves the right to amend and supplement the Code of Ethics on the basis of indications from the Supervisory Board established pursuant to Legislative Decree no. 231/01 and consistent with developments in relevant legislation.

3. Adoption and dissemination

The Code is widely distributed internally and is available to any interlocutor of Pasolini Luigi S.r.l..

Every employee of the Company is obliged to know and respect the provisions of the Code; Pasolini Luigi S.r.l. carefully monitors compliance with the Code, preparing appropriate information, prevention and control tools and intervening with corrective measures when necessary.

The Supervisory Board organises special training programmes, also based on input from the business functions, to ensure effective dissemination and understanding of the Code of Ethics within the Company.

The Company is committed to disseminating the Code as widely as possible, including externally, and to providing the necessary assistance in interpreting its provisions, so as to fully inform customers, suppliers and all other stakeholders, both private and institutional, of the values it seeks to promote and, more generally, of the corporate policies that inspire it.

4. General principles of behaviour

In carrying out its activities and, in particular, in its internal relationships and with third parties, Pasolini Luigi S.r.l. complies with the principles of legality, loyalty, fairness and transparency, having specific regard to the purposes expressed by Legislative Decree no. 231/2001.

To this end, the Company undertakes to ensure that the members of its bodies, employees, collaborators and, in general, third parties acting on behalf of the Company, comply with the applicable laws, regulations, this Code of Ethics and the organisational and procedural rules adopted, with particular reference to

the purposes expressed in Legislative Decree no. 231/01.

In no case may the violation of these principles be justified by the pursuit of an interest of Pasolini Luigi S.r.l..

5. Business activities and financial resource management

All operations and transactions decided or implemented by Pasolini Luigi S.r.l. and individuals acting in the name and on behalf of the Company itself must comply with the law, professional fairness, and the principles of transparency, verifiability, consistency, and congruity, as well as duly authorized, documented, and recorded.

Financial resources are managed in accordance with the above procedures and consistent with the management skills and organisational responsibilities of each individual.

6. Conflict of Interest

The members of the Company's bodies, employees and collaborators must avoid any situation in which they may be in conflict of interest, even potentially, with Pasolini Luigi S.r.l.

They must also disclose, in their respective areas of responsibility, any interest they may have, either on their own behalf or on behalf of third parties, in a particular transaction of the Company and refrain from seeking personal advantage in the performance of their respective duties.

Employees and collaborators of Pasolini Luigi S.r.l., without prejudice to any legislative and contractual provisions, shall promptly report the aforementioned situations to their respective superiors and, where appropriate, to the Supervisory Board.

7. Confidentiality

The Company safeguards the principle of confidentiality of information, data and news pertaining to operational activities and ensures that it is also respected and safeguarded by its employees and collaborators.

The members of the corporate bodies, employees and collaborators of the Company are obliged not to disclose any non-public information of which they become aware, even accidentally, and to use it for purposes strictly related to the performance of their duties, without abusing, directly or indirectly, this privilege of information in their own interest or in the interest of third parties and without causing damage to the Company, in order to protect the technical, financial, legal, administrative, commercial and human resources know-how of the Company.

The duty of confidentiality must also be respected outside working hours and during the contract suspension.

8. Fair Competition

Pasolini Luigi S.r.l. conducts its business activities fairly and in full compliance with the principles of competition law.

Therefore, conduct contrary to professional fairness, collusive, predatory, abuse of a dominant position or economic dependence, and any other conduct aimed at altering the fairness and competitive balance of the market are not allowed.

9. Respect for the environment

Pasolini Luigi S.r.l. considers the environment to be a primary value and manages Company activities in full compliance with current environmental regulations.

10. Quality of organization and business management

The Company pursues quality in its business organization. In relations with third parties, it operates in order to ensure the quality of its services and products as well as business continuity.

11. General principles of sound administration

Pasolini Luigi S.r.l. condemns any behaviour aimed at altering the accuracy and truthfulness of the data and information contained in financial statements, reports or other Company communications required by law and addressed to third parties.

The BoD and employees must conduct themselves fairly and transparently in relation to requests made by the Shareholders and the Board of Auditors in the exercise of their respective institutional functions.

It is forbidden for the BoD to implement any willful conduct aimed at causing injury to the integrity of the Company's assets or damage to creditors.

12. Organization, management and control model and applicable regulations

The Code of Ethics is an essential and functional element of the Organization, Management and Control Model that Pasolini Luigi S.r.l. adopts pursuant to Legislative Decree no. 231/2001 in order to prevent the commission of crimes in the interest of or to the detriment of the Company itself.

The principles and rules contained in this Code of Ethics supplement the legal, regulatory, statutory and contractual provisions governing the functioning of the Company's bodies and the rights and obligations of the recipients of the Code.

PART I – Rules of conduct: internal relations

13. Relations with employees and contractors

Pasolini Luigi S.r.l. recognises the importance of human resources as a key factor in the success of any Company, within a framework of mutual loyalty and trust between employer and employee.

In the selection of employees and contractors, the evaluation of personnel to be hired is carried out on the basis of whether the candidates' profiles match the Company's needs.

The Company, within the limits of available information, adopts appropriate measures to avoid favoritism, nepotism or forms of patronage in the stages of personnel selection and recruitment, evaluating candidates on the basis of criteria of merit, competence and professionalism, taking into account the Company's needs. Personnel shall be hired under employment contracts in the manner

prescribed by current regulations and collective bargaining and social security, tax and insurance regulations.

No illegal or “moonlighting” positions are allowed.

It is not permissible to require employees and collaborators, as a due act to their superior, to behave contrary to the provisions of this Code of Ethics.

14. Upgrading and training of human resources

Pasolini Luigi S.r.l. encourages the continuous improvement of the professionalism of its employees and collaborators, including through the conduct of training initiatives, in order to enrich their experience and professional and cultural heritage.

15. Protection of human resources

Pasolini Luigi S.r.l. guarantees the physical and moral integrity of its employees, working conditions respectful of individual dignity and safe and healthy working environments, in full compliance with current legislation on the prevention of accidents at work and worker protection.

The Company carries out its activities under such technical, organizational and economic conditions that adequate accident prevention and a healthy and safe working environment are ensured.

Pasolini Luigi S.r.l. makes sure that no acts of violence or psychological coercion are carried out, as well as any attitude or behaviour that offends the dignity of the person.

The company also ensures that no behaviour is carried out aimed at inducing or forcing, directly or indirectly, employees to adopt conduct in breach of this Code of Ethics or internal regulations.

16. Occupational safety and health

Pasolini Luigi S.r.l. is committed to protecting, disseminating and consolidating a culture of health and safety at work, developing risk awareness and promoting responsible behaviour among all employees and collaborators.

The Company also undertakes to clarify and publicise, by means of communications and service instructions, the basic criteria on the basis of which decisions of all kinds and at all levels are taken and implemented with regard to health and safety at work (including risk prevention, information and training activities, and the provision of the necessary resources), in accordance with the following principles:

- a. risk avoidance;
- b. assess risks that cannot be avoided;
- c. combat risks at the source;
- d. adapt work to man, particularly in the design of workplaces, choice of equipment and working methods, with the aim of mitigating monotonous and repetitive activities and reducing the health effects of such work;
- e. take into account the degree to which the technique has evolved;
- f. replace what is dangerous with what is not dangerous or is less dangerous;

- g. planning prevention, aiming for a coherent whole that integrates technique, work organization, working conditions, social relations and the influence of factors and the work environment in it;
- h. give collective protective measures priority over individual protective measures;
- i. give appropriate instructions to workers.

17. Processing of personal data of employees and contractors

The privacy of employees and collaborators is protected through the adoption of appropriate rules in relation to the type of information to be requested and through the use of specific methods of processing and storing personal data.

The processing of personal data of employees and collaborators is only permitted in accordance with current legislation and, in any case, with the widest possible information and assistance.

18. Principles of conduct for employees and collaborators in their relations with Pasolini Luigi S.r.l.

The conduct of each employee and collaborator shall be in accordance with the principles of professionalism, transparency, fairness, and honesty expressed by our legal system, as well as with the rules set forth in the Code of Ethics, the contractual provisions governing the employment relationship with the Company and the regulations and instructions governing the Company's activities.

Pasolini Luigi S.r.l. shall ensure that its employees and collaborators work in accordance with the Company's policies and behave with loyalty, helpfulness and courtesy towards colleagues and others with whom they come into contact during the performance of their duties, both in and outside the workplace. Employees and collaborators are prohibited from forming, promoting, or organizing associations with the purpose of committing multiple crimes or mafia-type associations.

Any employee or associate who becomes aware of a violation or attempted violation of this Code of Ethics within the Company must report it to the Supervisory Board. Where reports are found to be manifestly unfounded, the employee or collaborator responsible may be subject to the sanctions set forth in the Disciplinary System. In order to ensure effective support for the SB, both at the stage of preparation of the 231 model and at the stage of monitoring them, there is a specific duty to actively cooperate, resulting in disciplinary liability in case of violation of this duty.

19. Use of corporate assets, means and resources

Employees and collaborators are required to use the goods, means and resources made available to them in accordance with their intended use and in a manner that protects their preservation and functionality.

In the use of the Company's assets, means and resources, they are therefore bound to behave responsibly and in line with the operating procedures prepared to regulate their use.

Each employee and collaborator is responsible for the assets, means and resources entrusted them and is obliged to inform their superior immediately of any misuse or use detrimental to the Company's assets.

PART II - Rules of conduct: relations with third parties

20. Relations with third parties: general principles

In accordance with the principles of legality, loyalty, fairness and transparency expressed in our legal system, the members of the Company's bodies, employees and collaborators are prohibited from giving or promising to give to third parties, even indirectly, monetary or other benefits in order to unduly promote or favour the interests of Pasolini Luigi S.r.l., and from accepting for themselves or for others the promise or giving of monetary or other benefits in order to unduly promote or favour the interests of third parties. Only gifts of a symbolic nature or of modest value, resulting from promotional activities or acts of courtesy, are permitted. It is therefore forbidden to give gifts that are outside the scope of Company practice (i.e. any form of gift that goes beyond normal business practice or courtesy, or is otherwise intended to obtain favourable treatment in the conduct of Company business).

In any case, any form of gratuity, of any kind, to public subjects or in any case to subjects traceable, directly, or indirectly, to the Public Administration remains forbidden.

Where divergences with third parties arise in the performance of the Company's activities, Pasolini Luigi S.r.l. is available to seek conciliatory solutions, with the aim of overcoming the disagreements in the best way possible.

21. Customer relations

The style of conduct towards customers is characterised by helpfulness, respect and courtesy, with a view to a collaborative and highly professional relationship.

Consistent with the principles of impartiality and equal opportunity, the Company is committed not to arbitrarily discriminate against its customers; to provide high-quality products and services that meet the customer's reasonable expectations; and to adhere to truth in advertising, commercial or any other communications.

22. Supplier relations

In selecting and dealing with suppliers, Pasolini Luigi S.r.l. evaluates the cost-effectiveness, technical and economic capabilities, and overall reliability of its interlocutors.

In particular, the Company considers elements such as financial strength, design capabilities and resources, expertise, and the implementation of appropriate corporate quality control systems.

The Company ensures that negotiations and relationships with suppliers are conducted with the utmost fairness and seriousness and in accordance with applicable regulations.

Relationships with suppliers, including financial and other ancillary contracts, are governed by specific agreements that are as clear and comprehensible as possible and are designed to prevent any abuse of economic dependence.

Pasolini Luigi S.r.l. also supervises the regularity of purchases of copyrighted material.

23. Environment

The Society contributes constructively to ecological sustainability in all its activities, with consideration for the rights of future generations.

The Company's strategies and operational management are guided by the principles of sustainable development, with continuous attention to ensure that the performance of activities is carried out with respect for the environment and public health, in accordance with relevant national and international directives.

24. Collectivity

The Company is aware of the effects of its activities on economic and social development and the general welfare of the community and pays attention in its actions to balancing their interests.

The Company believes that dialogue with stakeholders and their associations is of strategic importance for the proper development of its activities and intends to cooperate with them in accordance with mutual interests.

25. Relations with Public Authorities and Institutional Bodies

In its relations with the public authorities (Court of Auditors, Covip, Ministry of Economy and Finance, Ministry of Labour and Social Policies) and other institutional bodies, Pasolini Luigi S.r.l. is guided by the principles of integrity and professional fairness and avoids influencing their decisions or requesting favourable treatment for itself or its partners or clients by promising, offering, or granting compensation or other benefits.

The Company shall maintain a relationship with the aforementioned entities characterised by full and active cooperation, providing in a timely manner any information requested by them in the course of investigative activities and complying with the measures issued.

To ensure maximum transparency, the Company also undertakes not to take undue advantage of personal or family relationships with government officials.

Pasolini Luigi S.r.l., in its relations with the Institutional Bodies of the State, the Regions and the Local Authorities, as well as with international bodies, with the aim of enabling its own evaluation of the legislative and administrative activity in the sectors of interest, adopts in any case a correct and transparent behaviour, avoiding any attitude of a collusive or coercive nature.

26. Relations with the Public Administration

Relations between members of corporate bodies, employees, and collaborators, on the one hand, and the public administration, whether Italian or foreign, on the other, must always be inspired by the principles of legality, loyalty, fairness, and transparency enshrined in our legal system, with particular regard to the objectives set out in the Legislative Decree no. 231/2001.

It is prohibited to seek or establish personal relationships of favour, influence or interference with representatives, officials or employees of public administrations that may directly or indirectly affect the outcome of the relationship; it is also prohibited to offer goods or other benefits to representatives, officials, or employees of public administrations, including through intermediaries.

No form of gratuity to public bodies or other entities directly or indirectly attributable to the public administration is permitted.

Members of corporate bodies, managers, employees, and collaborators are prohibited the following:

- Promising or giving money, benefits or other advantages in order to obtain concessions and permits from the public administration, as well as contributions, social security and/or welfare benefits;
- Preventing or obstructing the exercise of control functions by the public administration in order to avoid the application of a sanction or to negotiate the amount of a sanction;
- Taking actions (directly or indirectly) aimed at studying or proposing employment and/or business opportunities that may benefit representatives, employees, or officials of the Public Administration.

The Company may not be represented by third parties in dealings with public authorities if, on the basis of the information available, a conflict of interest may arise.

PART III - Ways of implementing and monitoring compliance with the Code of Ethics

27. Implementation and monitoring of compliance with the Code of Ethics

Pasolini Luigi S.r.l. adopts appropriate tools and procedures in order to implement and comply with the Code of Ethics.

The Company entrusts these functions to the Supervisory Board established under Legislative Decree no. 231/2001.

The Supervisory Board verifies the application of and compliance with this Code of Ethics and with the “Model of Organisation, Management and Control pursuant to Legislative Decree no. 231/2001, aimed at preventing the commission of particular types of crimes provided for in the aforementioned Decree, the contents of which are referred to in full.

Any employee or associate who becomes aware of a violation or attempted violation of this Code of Ethics within the Company must report it to their line manager if it is committed by another employee or associate, or to the Supervisory Board if it is committed by their line manager.

In any case, the Supervisory Board is not entrusted with any tasks, nor is it given any decision-making or obstructive powers with regard to the performance of the respective activities by the recipients of the Model, also with reference to the provisions of the Code of Ethics.

28. Disciplinary System

1. Foreword

Compliance with the rules of the Code of Ethics and the provisions of the organisation, management and control model adopted by Pasolini Luigi S.r.l. must be considered an essential part of the contractual obligations of the “Recipients” defined below. Breach of these standards damages the relationship of trust established with the Company and may lead to disciplinary, legal, or criminal sanctions; in cases deemed more serious, the breach may lead to termination of the employment relationship if committed by an employee or to termination of the relationship if committed by a third party. For this reason, it is necessary that each Recipient is familiar with the rules contained in the Code and in the Organisational Model of Pasolini Luigi S.r.l., in addition to the reference standards that regulate the activity carried out within the scope of their function.

This system of sanctions, adopted pursuant to Art. 6, Paragraph 2, letter e) Legislative Decree no. 231/01, should be considered complementary to and not alternative to the disciplinary system established by the applicable National Collective Labor Agreement (NCLA for RUBBER, PLASTICS and CONSTRUCTION) in force and applicable to the various categories of employees within the Company.

The imposition of disciplinary sanctions for violations of Model 231 and the Code of Ethics is independent of whether or not criminal proceedings have been instituted for the commission of any of the offences set forth in the Decree. No disciplinary proceedings may be discontinued or disciplinary sanctions imposed for breach of the Code without the prior information and opinion of the Supervisory Board.

2. Targets

Subordinates

The penalty system has as its targets those linked to the Company by a subordinate relationship, including managers, executives, and employees.

In other words, this system of sanctions is placed in the wider context of the employer’s disciplinary powers under Article 2106 of the Italian Civil Code and Article 7 of Law 300/70, even though the Decree itself does not contain specific provisions on the sanctions to be adopted, but only general ones.

Parasubordinate workers

The system of sanctions also applies to persons linked to Pasolini Luigi S.r.l. by “parasubordinate” employment contracts, i.e. employment contracts provided for by the Legislative Decree No. 276 10.09.2003, on “Implementation of the delegations on employment and labour market, referred to in Law No. 30 of February 14, 2003,” who cannot be subjected to the Company’s disciplinary power and the consequent imposition of penalties properly disciplinary. The Company adopts specific contractual clauses with such parties that require them to refrain from actions and/or procedures that violate the Code of Ethics, in accordance with the principles of fairness and good faith in the performance of the contract of which the Code is an integral part.

In this way, Pasolini Luigi S.r.l. will be able to sanction non-compliance with the principles contained in the Code of Ethics, as well as with the norms and general standards of behaviour set forth in the Model, in accordance with articles 2222 and following of the Italian Civil Code. The sanction system must also include, as recipients, sales agents, external collaborators, and external parties working in various capacities in the interest of the Company. Even then, in order to avoid non-compliant behaviour, the Company agrees with its consultants and collaborators specific contractual clauses that require third parties to comply with the Code of Ethics and the Organisational Model. Other recipients subject to sanctions are the directors and all the partners who, in various capacities, have relations with Pasolini Luigi S.r.l..

3. Criteria for the application of sanctions

The nature and extent of the specific sanctions will be determined in each case on the basis of the general criteria set out below and in proportion to the seriousness of the misconduct, it being understood that the conduct will be considered a disciplinary offence if it is likely to cause actual damage to Pasolini Luigi S.r.l.. Factors relevant to the imposition of the penalty are:

- Subjective element of conduct, depending on intent or fault (negligence, recklessness, inexperience)
- Relevance of the obligations violated
- Extent of the damage resulting to the Company or from the possible application of the penalties provided for in the Decree
- Level of hierarchical and/or technical responsibility
- Presence of aggravating or mitigating circumstances with special regard to previous work performance
- Possible sharing of responsibility with other employees who contributed to the misconduct
- Recidivism.

Where more than one offense has been committed by one act, the most serious penalty shall be applied.

4. Measures for employees

The sanctions provided below apply against executives, clerks and workers employed by the Company who carry out disciplinary offenses arising from:

- a. Failure to comply with the measures aimed at ensuring the performance of the activity and/or the timely detection and elimination of risk situations, ex Legislative decree no. 231/01;
- b. Failure, incomplete or untrue representation of the activity carried out with regard to the manner of documentation, storage and control of documents related to the procedures so as to prevent the transparency and verifiability of the same;
- c. Violation and/or circumvention of the control system, put in place by stealing, destroying, or altering the documentation of the procedure or by preventing control or access to information and do-

cumentation to the persons in charge, including the Supervisory Board;

- d. Non-compliance with the requirements contained in the Code of Ethics;
- e. Non-compliance with the provisions on signature powers and the delegation system, in relation to related risks, with respect to acts and documents to the Public Administration;
- f. Failure to comply with the obligation of periodic declarations (or false declarations) regarding: compliance with the Code of Ethics and the Model; absence of conflicts of interest, with regard to relations with the Public Administration;
- g. failure to supervise the behaviour of personnel operating within its sphere of responsibility in order to verify their actions within the areas of crime risk and, in any case, in the performance of activities instrumental to operational processes at risk of crime.

Failure to comply with the measures and procedures set forth in the Model, depending on the seriousness of the infraction, is punished with the following disciplinary measures:

- a. Verbal warning: The sanction of a verbal warning will be applied in cases of culpable violation of the principles of the Code of Ethics and/or of the procedural rules provided for in the Model, or in cases of procedural errors of no external relevance due to the employee's negligence.
- b. Written warning: will be applied in cases of: - culpable violation of procedural rules laid down in the Model or procedural errors, having external relevance, due to negligence of the worker; - recidivism in the violations referred to in point a), for which the sanction of a verbal warning is provided for
- c. A fine equivalent to up to three hours' wages (NCLA for transport) or four hours' wages (NCLA for environment): in addition to cases of repeated infractions that could result in a written reprimand, the fine may be applied in cases where, due to the level of hierarchical or technical responsibility, or in the presence of aggravating circumstances, the negligent and/or careless behaviour could undermine, even potentially, the effectiveness of the Model; such as, by way of example but not limited to
 - Failure to comply with the procedures set forth in the Model concerning a proceeding in which one of the necessary parties is the Public Administration;
 - Repeated violations referred to in point b) above, for which the sanction of a written warning shall be imposed
- d. Suspension from work and pay for up to 10 days: will be applied, in addition to cases of recidivism in the commission of offenses from which the application of a fine may result, in cases of serious procedural violations such as to expose the Company to liability to

third parties. By way of example but not limited to, it applies in the case of:

- Failure to comply with the obligation to submit periodic declarations (or false declarations) on compliance with the Code of Ethics and the Model; declarations on the absence of conflicts of interest in dealings with the Public Administration and written attestations required by the procedure related to the budget process;
 - Failure to comply with the provisions on signatory powers and the system of delegated powers, in relation to the risks involved, in respect of acts and documents to the P.A;
 - Failure to supervise the behaviour of personnel operating within their sphere of responsibility in order to verify their actions within the areas at risk of crime and, in any case, in the performance of activities instrumental to operational processes at risk of crime;
 - Repeated violations under point c) above. Where the above-mentioned employees hold a power of attorney with authority to represent the Company externally, the application of the described sanction will also result in the automatic revocation of the power of attorney.
- e. Dismissal with notice: will be applied in cases of repeated serious violation of procedures having external relevance in the performance of activities involving judicial, negotiation and administrative relations with the P.A., as well as repeated failure to comply with the requirements contained in the Code of Ethics and Model 231, referred to in point d) above.
- f. Dismissal without notice: It will be applied for misconduct committed maliciously and so serious that even temporary continuation of employment is not possible, such as but not limited to:
- malicious violation of procedures having external relevance and/or fraudulent avoidance carried out through behaviour unequivocally directed at the commission of an offense included among those provided for in the Decree such that the fiduciary relationship with the employer is broken;
 - maliciously breaching and/or circumventing the control system by stealing, destroying, or altering procedural documentation or by preventing the control of or access to information and documentation by those responsible, including the Supervisory Board;
 - failure, incomplete or untrue documentation of the activity carried out with regard to the manner of documentation and record keeping of procedures, maliciously aimed at preventing the transparency and verifiability of the same.

In any case, if the employee has committed one of the offenses referred to in this point f), the Company may order, pending full investigation of the violations, the non-disciplinary precautionary suspension of the employee with immediate effect for a period

not exceeding 10 days. In the event that the Company decides to proceed with the dismissal, it will take effect from the day on which the precautionary suspension began.

The employer may not impose any sanction on the employee without first contesting the charge and hearing the employee's defence. The employer's accusation, other than a verbal warning, must be in writing, and disciplinary measures may not be imposed until 5 days have elapsed, during which time the employee may present their defence. If no action is taken within an additional 5 days, the employee's justifications will be deemed accepted. The employee's defence may also be made orally, possibly with the assistance of a representative of the trade union association to which they belong. The imposition of the measure must be justified and communicated in writing. Measures, with the exception of verbal reprimand, can be challenged by the employee, in the union, according to the contractual rules on disputes.

5. Measures for managers

In addition, the most appropriate action will be taken against managers who engage in conduct that violates the requirements of this Model, in accordance with the provisions of the Disciplinary Code of the Workers' Statute. In view of the fiduciary nature of the employment relationship, failure to comply with the provisions of the Code of Ethics and the Code of Conduct will be sanctioned by taking into account the principle of proportionality provided for in Article 2106 of the Italian Civil Code and assessing, in each case, the objective seriousness of the fact constituting a disciplinary offence, the degree of culpability, the possible repetition of the same behaviour and the intentionality of the behaviour itself.

The disciplinary measures applicable to managers shall be those provided for in the collective bargaining agreements and legal provisions applicable to the highest category of employees of the Company to which the manager belongs.

6. Measures against the self-employed

Failure on the part of any self-employed person to comply with the provisions of the Model and the Code of Ethics may result in the termination of the contract in question, in accordance with the provisions of the specific contractual relationship, without prejudice to the right to claim compensation for the damage suffered as a result of the said conduct, including the damage caused by the application by the court of the measures provided for in the Decree.

In particular, it is necessary to use a special contractual clause, which will be the subject of express acceptance by the third party contractor and therefore an integral part of the contractual agreements. With this clause, these contractors will declare that they are aware of, accept and undertake to abide by the Code of Ethics and Organizational Model adopted by Pasolini Luigi S.r.l., that they too may have adopted a similar Code of Ethics and Organizational and Management Model, and that they have never been implicated in legal proceedings related to the offenses covered in the Organizational Model and referred to in Legislative Decree no. 231/2001. In the event that such individuals have been implicated in the above proce-

edings, they will have to declare this for the purpose of greater attention by the Company, should the establishment of the relationship be reached. In observance of fairness and good faith in the execution of the contract, subject to the discipline of the law, the Company, in case of violation of a recommendation by an employee or consultant, may:

a) contest the non-performance of the recipient with the simultaneous demand for the fulfilment of the obligations contractually undertaken and provided for in this Code of Conduct, if appropriate, granting a time limit or immediately, as well as

b) claim damages equal to the consideration received for the work performed during the period from the date of the determination of the violation of the recommendation to actual compliance. Without prejudice to legal regulations, in case of violation of No. 3 (three) prohibitions contained in the Code of Ethics or the Model, the Company may:

c) automatically terminate the existing contract for serious breach, pursuant to Article 1453 of the Italian Civil Code as well as

d) claim damages equal to the consideration received for the activity performed during the period from the date of the determination of the third violation of recommendation or violation of the prohibition to the date of notice of termination.

7. Measures against administrators

In case of violations of the provisions contained in the Model by a Director, information will be given to the Board of Directors and the Board of Statutory Auditors (where present) so that the appropriate measures can be taken in accordance with the regulations or the prescriptions adopted by Pasolini Luigi S.r.l. in the sanction code. It should be noted that under Article 2392 of the Italian Civil Code, directors are liable to the Company for failing to perform the duties imposed by law with due diligence.

Therefore, in relation to the damage caused by specific prejudicial events strictly attributable to the failure to exercise due diligence, the exercise of a corporate liability action pursuant to Article 2393 et seq. of the Italian Civil Code may be correlated in the judgment of the Assembly.