



**Organisation,  
Management and Control Model  
pursuant to Legislative Decree  
No. 231 of 08 June 2001.  
of Cellularline S.p.A.**

Approved by the Board of Directors of Cellularline S.p.A.  
at its meeting on 10/11/2022

# ORGANISATION AND MANAGEMENT MODEL PURSUANT TO LEGISLATIVE DECREE 231/01 - GENERAL PART

## GENERAL PART

### SECTION ONE

#### 1. LEGISLATIVE DECREE NO. 231 OF 08 JUNE 2001

##### 1.1. THE ADMINISTRATIVE LIABILITY OF ENTITIES

Legislative Decree No. 231 of 8 June 2001, containing the "*Discipline of the administrative liability of legal persons, companies and associations, including those without legal personality*" (hereinafter, also "Legislative Decree 231/2001"), which entered into force on 4 July 2001, governs the administrative liability of Entities (Entities with legal personality, commercial companies, companies with share capital and partnerships, and associations, including those without legal personality; hereinafter referred to as "Entities" for brevity).

This form of liability, although defined as "*administrative*" by the legislator, has the characteristics of criminal liability, since the criminal court is entrusted with ascertaining the offences from which it derives and the same guarantees of criminal proceedings are extended to the Entity.

The administrative liability of the Entity arises from the commission, or attempted commission, in the interest or to the advantage of the Entity, of one of the predicate offences, expressly indicated in Legislative Decree 231/2001 by:

- natural persons who hold positions of representation, administration or management of the Entity or of one of its organisational units with financial and functional autonomy, or who exercise, even *de facto*, the management and control thereof (so-called "**senior persons**");
- natural persons subject to the direction or supervision of one of the above-mentioned persons (so-called "**subordinate persons**").

It is not necessary for subordinate persons to have a subordinate employment relationship with the Entity, since the category of subordinate persons also includes "those employees who, although not employees of the Entity, have a relationship with the Entity such as to suggest the existence of a supervisory obligation on the part of the management of the Entity: for example, agents, partners in joint ventures, so-called para-subordinates in general, distributors and collaborators".

In addition to the existence of the requirements described above, Legislative Decree 231/2001 requires the establishment of the guilt of the Entity, in order to be able to affirm its liability. This requirement is attributable to a "fault of organisation", to be understood as the Entity's failure to adopt adequate preventive measures to prevent the commission of the offences covered by Legislative Decree 231/2001, by senior or subordinate persons.

The Entity may be held liable for the offence only if the offence was committed in its interest or to its advantage:

- the interest refers to the volitional sphere of the natural person acting and is assessable *ex ante*, at the time of the conduct. For the Entity to be liable, the interest of the person who acted must at least partly coincide with that of the enterprise;
- the advantage is characterised as the whole of the benefits, especially of a financial nature, derived from the offence, which can be assessed after the commission of the offence, recognisable, in some cases, also in terms of cost savings (for example, with reference to occupational health and safety offences and tax offences).

The Entity is not liable, by express legislative provision (see Article 5(2) of Legislative Decree 231/2001), if the above-mentioned persons have acted in their own exclusive interest or in the interest of third parties. In any case, their conduct must be referable to that "organic"

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<sup>1</sup> Source: Assonime Circular No. 68 of 19 November 2002.

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relationship for which the acts of the natural person can be imputed to the Entity.

If the interest is not discernible because the qualified party acted to realise an interest exclusively of its own or of a third party, the Entity is not liable under Legislative Decree 231/2001. On the contrary, in the event of an interest on the part of the Entity, albeit partial or marginal, the offence is committed even if no advantage has accrued to the company, which may at most benefit from a reduction in the financial sanction<sup>2</sup> (for more details on this, see the section "*The sanctions provided for by Legislative Decree 231/2001*").

Where the Entity is able to prove that it has adopted and effectively implemented an organisation suitable to prevent the commission of the offences referred to in Legislative Decree 231/2001, this will not give rise to administrative liability.

### **The territorial boundary of application of Legislative Decree 231/2001**

In application of article 4 of Legislative Decree 231/2001, the Entity having its head office in the territory of the State may also be called upon to answer before the Italian criminal court for the administrative offence resulting from offences committed abroad in the cases and under the conditions laid down in Articles 7 to 10 of the Criminal Code and provided that the State of the place where the offence was committed does not proceed against it.

These rules concern offences committed entirely abroad by senior or subordinate persons.

The principle of territoriality (Article 6 of the Criminal Code) applies to criminal conduct carried out even only in part in Italy, whereby "*the offence is deemed to have been committed in the territory of the State when the act or omission constituting the offence has taken place there in whole or in part, or when the event which is the consequence of the act or omission has occurred there*".

In addition, subject to Italian law, thus also to Legislative Decree 231/2001, is any Entity established abroad in accordance with the provisions of its domestic law that has its head office or principal object in Italy.

### **1.2. THE ADOPTION AND IMPLEMENTATION OF AN ORGANISATION, MANAGEMENT AND CONTROL MODEL AS AN EXEMPTION FROM ADMINISTRATIVE LIABILITY FOR OFFENCES**

The legislator recognises, in Articles 6 and 7 of Legislative Decree 231/2001, specific forms of exemption from administrative liability of the Entity.

Article 6, in particular, establishes that, in the event that the facts of the offence are attributable to persons in a senior position, the Entity shall not be held liable if it proves that:

- a) it has adopted and implemented, prior to the commission of the offence, a Model 231 capable of preventing offences of the kind committed;
- b) it has appointed a board, independent and with autonomous powers, to supervise the operation of and compliance with the Model and to ensure that it is updated (hereinafter also referred to as "Supervisory Board", "Board" or "SB");
- c) the offence was committed by fraudulently circumventing the measures laid down in Model 231;
- d) there has been no omission or insufficient supervision by the Supervisory Board.

In the case of persons in a subordinate position, the adoption and effective implementation of the Model means that the Entity will only be held liable if the offence was made possible by its failure to comply with its management and supervisory obligations (combined provisions of Article 7(1) and (2) of Legislative Decree 231/2001).

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<sup>2</sup> Source: Confindustria Guidelines (2021), Chapter 1.

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Paragraphs 3 and 4 of Article 7 of Legislative Decree 231/2001 provide for two principles that are relevant and decisive for the purposes of exempting the Entity from liability.

In particular, it is stipulated that:

- the Model must provide for suitable measures, both to ensure that the activity is carried out in compliance with the law, and to promptly Model risk situations, taking into consideration the type of activity carried out as well as the nature and size of the organisation;
- the effective implementation of the Model requires periodic verification and its amendment if significant violations of the provisions of the law are discovered or if significant organisational or regulatory changes occur; the existence of an appropriate Disciplinary System is also important.

Following the entry into force of Law No. 179 of 30 November 2017 on Whistleblowing, inserted into the body of Article 6 of Legislative Decree 231/2001 were three new paragraphs. In particular, paragraph 2-bis requires Models 231 to provide for:

- a) one or more channels for submitting, in order to protect the integrity of the Entity, circumstantiated reports of unlawful conduct, relevant under Legislative Decree 231/2001 and based on precise and concordant elements of fact or of violations of the Model, of which the whistleblowers have become aware by reason of their functions;
- b) at least one alternative reporting channel that ensures the confidentiality of the whistleblower's identity;
- c) prohibition of acts of retaliation or discriminatory, direct or indirect, against the whistleblower for reasons connected directly or indirectly to the whistleblowing;
- d) in the disciplinary system, sanctions against those who violate the measures for the protection of whistleblowers as well as against those who maliciously or grossly negligently make reports that turn out to be unfounded.

### **1.3. THE SANCTIONS PROVIDED FOR IN LEGISLATIVE DECREE 231/2001**

In the event that the persons referred to in Article 5 of Legislative Decree 231/2001 commit one of the offences provided for in Articles 24 et seq. thereof ("predicate offences"), the Entity may be subject to sanctions.

The sanctions, called administrative sanctions, are divided into:

- financial sanctions;
- disqualification sanctions;
- confiscation;
- publication of the judgment.

The ascertainment of the Entity's liability, as well as the determination of the *quantum* of the sanction, are assigned to the criminal court competent for the proceedings relating to the offences from which the administrative liability arises.

The Entity is held liable for the predicate offences (with the exception of the cases referred to in Article 25-septies) even if they are committed in the form of an attempt. In such cases, however, the financial and disqualification sanctions are reduced by one-third to one-half.

#### **1. Financial sanctions**

Financial sanctions are regulated in Articles 10, 11 and 12 of Legislative Decree 231/2001 and apply in all cases in which the Entity is held liable. The Judge determines the number of shares on the basis of the indices identified in the first paragraph of Article 11 of Legislative Decree

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231/2001, while the amount of the fee is fixed on the basis of the economic and equity conditions of the Entity involved.

### **2. Disqualification sanctions**

The disqualification sanctions, identified by the second paragraph of Article 9 of Legislative Decree 231/2001, which may only be imposed in the cases provided for and only for certain offences, are as follows:

- a) disqualification from exercising the activity;
- b) suspension or revocation of authorisations, licences or concessions functional to the commission of the offence;
- c) prohibition to contract with the Public Administration except to obtain the performance of a public service;
- d) exclusion from facilitations, financing, contributions or subsidies and the possible revocation of those already granted;
- e) prohibition on advertising goods and services.

As with financial sanctions, the type and duration of disqualification sanctions are determined by the criminal court. In any case, disqualification sanctions have a minimum duration of three months and a maximum duration of two years<sup>3</sup>.

Disqualification sanctions may be applied to the Entity either at the outcome of the trial and, therefore, having ascertained its guilt, or as a precautionary measure, i.e. when:

- a) there are serious indications that the Entity is liable for an administrative offence;
- b) well-founded and specific elements arise that suggest the existence of a concrete danger that offences of the same nature as the one in question may be committed;
- c) the Entity has made a significant profit.

Finally, Article 23 of Legislative Decree 231/2001 punishes the non-compliance with disqualification sanctions, which occurs if a sanction or disqualification precautionary measure has been imposed on the Entity and, despite this, the Entity violates the obligations or prohibitions inherent therein.

The application of disqualification sanctions is, on the other hand, excluded in the event that the Entity has implemented the remedial conduct provided for in Article 17 of Legislative Decree 231/2001, or if the following conditions are met:

- *"the Entity has fully compensated for the damage and has eliminated the harmful or dangerous consequences of the offence or has in any case taken effective action in this sense;*
- *the Entity has eliminated the organisational deficiencies that led to the offence by adopting and implementing organisational models capable of preventing offences of the kind committed;*
- *the Entity has made available the profit obtained for the purposes of confiscation".*

### **3. Confiscation**

The confiscation of the price or profit of the offence is a mandatory sanction that follows any conviction (Article 19 of Legislative Decree 231/2001).

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<sup>3</sup> The new Anti-Corruption Law (No. 3 of 9 January 2019) amended, among others, Article 25 of the Decree, determining the duration of disqualification sanctions - for the offences indicated herein - to be between four and seven years for top management, and between two and four years for employees.

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**4. Publication of the judgment**

The publication of the judgment is a possible sanction and presupposes the application of a disqualification sanction (Article 18 of Legislative Decree 231/2001).

Finally, it should be added that the Judicial Authority may order: (i) the preventive seizure of the property for which confiscation is permitted (Article 53 of Legislative Decree 231/2001); (ii) the precautionary seizure of the movable and immovable property of the Entity where there is a well-founded reason to believe that the guarantees for the payment of the financial sanction, the costs of the proceedings or other sums owed to the State are lacking or are dissipated (Article 54 of Legislative Decree 231/2001).

**5. Penalties for attempted crimes**

In the event of the commission, in the form of an attempt, of a predicate offence, the financial sanctions (in terms of amount) and disqualification sanctions (in terms of duration) are reduced by between one-third and one-half, while sanctions are not imposed if the Entity voluntarily prevents the commission of the action or the realisation of the illegal event.

**1.4. THE GUIDELINES DRAWN UP BY CONFINDUSTRIA**

Article 6 of Legislative Decree 231/2001 expressly provides that organisational, management and control models may be adopted on the basis of codes of conduct drawn up by associations representing the Entities.

The preparation of this Model is inspired by the Guidelines for the construction of Organisation, Management and Control Models as per Legislative Decree 231/2001 approved by Confindustria on 7 March 2002 and subsequently updated, most recently in June 2021 (hereinafter referred to as the "Guidelines" for brevity).

The path indicated by the Guidelines for the elaboration of the Model can be schematised according to the following fundamental points:

- identification of the risk areas, aimed at verifying in which areas/sectors of the corporate activity crimes may be committed;
- establishment of a control system capable of reducing risks through the adoption of appropriate control protocols aimed at providing reasonable assurance that the purposes of a good internal control and risk management system are achieved.

The most relevant components of the internal control system outlined by the Confindustria Guidelines in order to ensure the effectiveness of the Organisation, Management and Control Model for the prevention of intentional offences are as follows:

- ethical principles and rules of conduct, formalised in a Code of Ethics;
- an organisational system that is sufficiently up-to-date, formalised and clear, in particular with regard to the allocation of responsibilities, hierarchical reporting lines and the description of everyone's tasks;
- manual and/or computerised procedures governing the performance of activities, with appropriate controls;
- authorisation and signature powers consistent with the organisational and management responsibilities assigned by the entity through formal and documented powers of attorney and delegations and, where appropriate, the provision of expenditure limits;
- integrated control systems, capable of preventing all potential operational risks to which the Company is exposed, in particular those relating to the potential commission of predicate offences, so as to promptly report possible critical issues;

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- staff information and training initiatives, suitably modulated with respect to the role of the addressees.

With reference to culpable offences (health and safety at work and environmental offences), the most relevant components of the internal control system identified in the Confindustria Guidelines to ensure the effectiveness of the Organisation, Management and Control Model are as follows:

- ethical principles and rules of conduct formalised within the Code of Ethics, with reference to the offences considered;
- an organisational structure with formally defined tasks and responsibilities, consistent with the organisational and functional scheme of the enterprise, in line with the nature and size of the enterprise and the characteristics of the activity carried out, in order to adequately manage and control the risk to the health and safety of workers and to prevent environmental offences;
- adequate staff training initiatives, taking into account the peculiarities of the different risk areas and the professional skills of the staff working in them;
- tools and methods of staff communication and involvement, e.g. through regular meetings and information flows to the figures responsible for managing occupational health and safety and environmental issues;
- operational management, with particular reference to the internal control system relating to health and safety and environmental aspects;
- the occupational health and safety monitoring system.

The components of the control system described above must comply with the following principles:

- verifiability, traceability, consistency and appropriateness of every operation, transaction and action;
- separation of functions and segregation of duties (no one can manage an entire process independently);
- establishment, execution and documentation of control activities on processes and activities at risk of offences;
- introduction of an adequate sanctioning system for violations of the rules and protocols provided for by the Model;
- identification of a Supervisory Board whose main requirements are:
  - autonomy and independence;
  - professionalism;
  - continuity of action.

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## SECTION TWO

### 1 THE ORGANISATION, MANAGEMENT AND CONTROL MODEL OF CELLULARLINE S.P.A.

Cellularline S.p.A. (hereinafter also "Cellularline" or the "Company") has as its object the import, export, distribution, leasing and direct or indirect marketing, both wholesale and retail, of electronic, electro-mechanical, electro-acoustic and audiovisual equipment and accessories in general, in Italy and abroad.

The Company (hereinafter also referred to as the "Company" or "Cellularline") is one of the main players in the smartphone and tablet accessories sector in the EMEA region, and the market leader in Italy.

Since July 2019, Cellularline has been listed on the electronic stock market ("MTA") - STAR Segment - managed by Borsa Italiana S.p.A.

The Company's Corporate Governance model complies with the provisions of the Civil Code and other laws and regulations on corporate governance.

The administration and control system adopted is the traditional one, with the Shareholders' Meeting, the Board of Directors and the Board of Statutory Auditors.

Within this system, the Board of Directors is the main body vested with the powers to strategically direct the business and define organisational structures.

The Company is sensitive to the need to ensure conditions of fairness and transparency in the conduct of business and corporate activities, in order to protect its image, as well as with a view to improving its organisational structure and, more generally, the functioning of the Company itself.

In particular, in order to ensure that the conduct of all those who operate on behalf of or in the interest of the Company always complies with the law and is consistent with the principles of correctness and transparency in the conduct of business and corporate activities, Cellularline has defined and adopted this Organisation, Management and Control Model (hereinafter also referred to as the "**Model**"), in line with the provisions of Legislative Decree 231/2001 and on the basis of the Confindustria Guidelines.

#### 2.1. ADDRESSEES OF THE MODEL

The provisions of this Model apply to the Directors and to all those who perform functions of representation, administration and management, including de facto management of the Company, to employees (meaning all those who are linked to the Company by a subordinate employment relationship, including executive personnel) and to external collaborators subject to the management or supervision of the Company (hereinafter referred to as the "Addressees").

The addressees of this Model and, as such, required to be acquainted with it, are also those who, having paid or free relations of any nature with the Company, are informed of the existence of the Code of Ethics and of Model 231, as described in paragraph 4.2 of this document, and who sign the general contractual conditions or other contractual documents with Cellularline, which regulate, *inter alia*, the subject of the administrative liability of Entities (hereinafter referred to as "Third Parties" or "Third-Party Addressees").

#### 2.2. PURPOSES OF THE MODEL

This version of the Model has been defined in the light of the evolution of the regulatory framework and best practices, as well as in consideration of changes in the company's organisation.

Through the adoption of this Model, the Company intends to pursue the following main aims:



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- integrate and strengthen the Corporate Governance system, which governs the management and control of the Company;
- define an organic system to prevent the risk of the commission of the predicate offences considered relevant in relation to the Company's business;
- implement the statutory purpose by adopting conduct characterised by rigour and integrity, promoting the exercise of corporate activities with professionalism, diligence, honesty and fairness;
- determine in the Addressees of the Model the awareness that they may incur, in the event of violation of the provisions contained therein, in the commission of offences punishable by criminal sanctions that may be imposed on them, as well as administrative sanctions that may be imposed directly on the Company;
- prohibit conduct sanctioned by Legislative Decree 231/2001, requiring Addressees to conduct themselves correctly and transparently in accordance with this Model;
- make all those who operate in the name, on behalf of, or in any case in the interest of Cellularline aware and informed that the commission of a predicate offence in the misunderstood interest or advantage of the Company, gives rise to the application not only of criminal sanctions against the subject, but also of administrative sanctions against the Company, exposing it to financial, operational, image and reputational consequences;
- inform all those who work in the name of, on behalf of or in any case in the interest of the Company, that the violation of the prescriptions contained in Model 231 will entail, irrespective of the possible commission of offences, the application of sanctions;
- train all Addressees of the Model;
- enable the Company, thanks to a monitoring action on the areas of activity identified as being at risk, based on a structured and organic system of procedures and control activities, to intervene promptly to prevent or counteract the commission of offences.

### **2.3. THE PROCESS OF PREPARING AND DEFINING THE CELLULARLINE MODEL**

By defining and adopting this Model, Cellularline guarantees its constant implementation and continuous updating, according to the methodology indicated by the Confindustria Guidelines and reference best practices.

In particular, the Company:

- has identified and verified the areas exposed to the risk of commission of the offences provided for by Legislative Decree 231/2001 (so-called "risk assessment"), through the analysis of the corporate context and the valorisation of the experiences of past corporate operations (so-called "historical analysis").

The result of this activity is represented in a document containing a map of corporate activities, showing the areas at risk of offence, the sensitive activities relevant to each area at risk of offence, the sensitive activities involved in them, an indication of the families of offences and the individual offences under Legislative Decree 231/2001 considered potentially relevant, the exemplary ways in which the predicate offences were committed or conduct instrumental to their commission.

- has analysed and implemented a system of existing preventive controls in the company's processes and activities (organisational system, authorisation system, management control system, documentation monitoring and control system, procedures, etc.);

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- will ensure the constant implementation of the conduct principles and procedural rules laid down in Model 231 and will verify the concrete suitability and operability of the control tools, continuously monitoring the actual compliance with the Model.

### **2.4. THE FUNDAMENTAL ELEMENTS OF THE CELLULARLINE MODEL**

The Cellularline Model 231 is divided into:

- an Internal Regulatory System aimed at preventing predicate offences, which includes:
  - a) Code of Ethics, to be considered an integral part of Model 231, which expresses the commitments and ethical responsibilities in the conduct of company business assumed by all those who work on behalf of or in the interest of Cellularline;
  - b) internal procedural rules aimed at regulating the operating methods in the areas at risk of offences, which constitute the rules to be followed in carrying out corporate activities, providing for the controls to be carried out in order to ensure their correctness, effectiveness and efficiency;
- an Internal Control System and a Risk Management System;
- an organisational structure consistent with the company's activities, designed to ensure correct conduct, as well as to guarantee a clear and organic allocation of tasks and an appropriate segregation of functions;
- a system of powers. In particular, the Company attributes:
  - a) permanent representation powers, by means of registered notary powers of attorney, regarding the performance of activities connected to permanent responsibilities existing within the corporate organisation;
  - b) powers relating to individual transactions, conferred by means of powers of attorney, consistent with the laws defining the forms of representation and the types of individual deeds to be stipulated, as well as in consideration of the different requirements of enforceability against third parties;
- a Training and Information System aimed at disseminating the contents and principles of the Model to all Addressees;
- the appointment of a Supervisory Board with a collegial composition (hereinafter also referred to as the "Board") to which specific tasks are assigned to supervise the effective implementation and application of the Model;
- the approval of an appropriate penalty system to ensure the effective implementation of the Model, containing the disciplinary provisions applicable in the event of violation of the measures indicated in the Model;
- the definition of the modalities for the adoption and effective application of the Model, as well as for any necessary amendments or additions thereto.

The Company ensures that the system of powers and the organisational and management responsibilities defined are constantly updated and consistent.

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### **2.5. THE ASSUMPTIONS OF THE MODEL**

In preparing the Model, the Company has taken into account certain main assumptions, which are briefly summarised below.

In particular, Cellularline considered its corporate organisation structured according to the corporate organisation chart.

In preparing the Model, the Company has taken into account, as set out above, its own internal control system, in order to verify its capacity to prevent the types of offences envisaged by Legislative Decree 231/2001 in the areas of activity identified as being at risk.

In general, as also mentioned in section "2.4 The fundamental elements of the Cellularline Model", the company's internal control system is based on the following elements:

- sufficiently formalised and clear organisational system, in particular with regard to the allocation of responsibilities, hierarchical reporting lines and description of tasks with specific provision for control principles;
- application of the principle of separation of functions and segregation of duties (no one can manage an entire process independently);
- provision of expenditure and signature limits consistent with the system of delegated and proxy powers in place;
- truthfulness, verifiability, consistency, congruity and traceability of company operations and transactions;
- manual and/or computerised procedures governing the performance of activities, with appropriate controls;
- periodic audit activities carried out by the relevant corporate bodies (including outsourcing).

Cellularline manages its main processes and areas of activity in compliance with the values, guidelines and criteria of conduct set out in the Code of Ethics.

The personnel, within the scope of their functions, are responsible for the definition and proper functioning of the control system, which consists of all the verification activities that are carried out on processes.

The Company has assigned the task of verifying the application of the elements and principles of the control system, as well as their adequacy, to the corporate bodies in charge, as well as to the various managers, who are called upon to interface with the Supervisory Board, so that the latter is informed of any changes introduced in the organisation or in the company's activities.

### **2.6. CODE OF ETHICS**

Cellularline has adopted a Code of Ethics (hereinafter also referred to as the "Code of Ethics") aimed at enshrining the values, guidelines and criteria of conduct that the Company recognises as its own and that it requires its corporate bodies, employees and any third parties who, for whatever reason, have relations with it to respect.

### **2.7. MODEL STRUCTURE**

The Cellularline Model 231 consists of a General Part and two Special Parts. Annex 1 of the Model lists the families of offences under Legislative Decree 231/2001, the individual predicate offences, the exemplary ways in which offences can be committed and the relative sanctions against the Entity.

The General Part explains the essential components of Model 231.

The Special Part describes, for the families of offences considered relevant for Cellularline as a

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result of risk assessment activities:

- areas at risk of offences and relevant sensitive activities;
- corporate Structures operating within the risk areas and the relevant sensitive activities;
- predicate offences that can be abstractly perpetrated;
- general principles of conduct;
- principles of preventive control in place to guard against risks.

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## SECTION THREE

### 3. SUPERVISORY BOARD

#### 3.1. INTRODUCTION

Article 6(1) of Decree 231 provides that the function of supervising and ensuring the updating of Model 231 is entrusted to a Supervisory Board which, endowed with autonomous powers of initiative and control, exercises the tasks assigned to it on an ongoing basis.

Legislative Decree 231/2001 requires the Supervisory Board to perform its functions outside the operational processes of the Company and to be placed in a staff position at the Board of Directors, free from any hierarchical relationship with the individual heads of company functions/departments.

In accordance with the requirements of Legislative Decree 231/2001, the indications expressed by the Confindustria Guidelines and the orientations of the jurisprudence formed on the subject, Cellularline has set up a body with a collegial composition, subject to verification of the possession of the requirements of professionalism, honourableness and independence of its members.

The appointment, duties, activities and functioning of the Supervisory Board, as well as the term of office, removal, replacement and requirements of its members are regulated in this chapter.

In particular, the Cellularline Supervisory Board has been defined in such a way as to ensure that it meets the requirements described below.

#### a) **Autonomy and independence**

The Supervisory Board has autonomy and independence from the corporate bodies against which it exercises its control activities.

It is in no way involved in management activities, nor is it in a position of hierarchical dependence. In order to preserve the independence of the Supervisory Board, it is provided that the Board remains in office for a period of three years. The members of the Supervisory Board remain in office for three years and may in any case be re-elected. As a further guarantee of its independence, the Supervisory Board informs the Board of Directors and the Board of Statutory Auditors of its activities on a regular basis. In any case, the Board shall promptly report any event of particular importance.

The activities carried out by the Supervisory Board cannot be reviewed by any function, body or corporate structure, without prejudice to the management body's power-duty to supervise the adequacy of the intervention carried out by the Body in order to ensure the updating and implementation of the Model.

The Supervisory Board, in performing its functions, has adequate financial means to ensure its operability. To this end, the Supervisory Board provides the Board of Directors with its annual budget and reports on the costs incurred. In any case, if it deems it necessary, the Supervisory Board may make use of resources in addition to those indicated in the annual budget, subject to a request to the Board of Directors.

#### b) **Professionalism**

The members of the Supervisory Board have specific technical and professional skills appropriate to the functions that the Board is called upon to perform, and may also avail themselves of the technical support of persons internal or external to the Company, within the scope of their spending autonomy and assigned budget.

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For the purpose of a better and more effective performance of the assigned tasks and functions, the Board may also avail itself of the Departments/Functions of the Company which, from time to time, may be useful for the performance of the indicated activities.

### **c) Continuity of action**

The Supervisory Board operates at the Company, exercising control powers continuously and meeting periodically to perform the task assigned to it. To this end, the Supervisory Board prepares a Plan of Activities, which may be amended on the basis of past findings or unforeseeable events, without prejudice to the possibility of carrying out unplanned checks at any time.

In order to ensure the monitoring of sensitive corporate processes pursuant to Legislative Decree 231/2001, the Supervisory Board makes use not only of the information provided by its internal member, but also of information flows to it and of hearings with the Managers of areas potentially at risk of offences.

### **3.2. CAUSES OF INELIGIBILITY, DISQUALIFICATION AND REVOCATION OF THE MANDATE TO SB MEMBERS**

The members of the Supervisory Board must meet the following requirements of good repute:

1. not be a person who has been declared disqualified, incapacitated, bankrupt, or sentenced to a penalty entailing disqualification, even temporary, from public office or inability to exercise executive offices;
2. not be subject to preventive measures ordered by the judicial authorities;
3. not having been convicted, even with a non-definitive sentence, and not having entered into a plea bargain pursuant to Articles 444 et seq. of the Code of Criminal Procedure, in relation to offences provided for by Legislative Decree 231/2001 or offences of the same nature (bankruptcy offences, crimes against property, crimes against public faith, etc.);
4. not having been convicted, with a sentence, even if not final, in an administrative court for one of the offences provided for in Articles 187 bis and 187 ter of Legislative Decree 58/2008 Consolidated Law on Finance;
5. not be under investigation for offences of association for the purposes of terrorism, including international terrorism or subversion of the democratic order, Mafia-type association, or other criminal associations, however locally named, which pursue aims or act with methods corresponding to those of Mafia-type associations;
6. not have been sentenced, even by a non-definitive judgment, to imprisonment for a term of not less than two years for any non-culpable offence, subject to the effects of rehabilitation.

The external members of the SB must also meet the following independence requirements:

1. not have any relationship of marriage, kinship or affinity within the fourth degree with Directors, Statutory Auditors or managers of Cellularline;
2. not be in situations that may lead to conflicts of interest, even potential ones, with Cellularline; in particular, they must not have economic relations or appointments of a professional nature with the Company such as to compromise their independence;
3. not hold the position of Director of Cellularline or its shareholder companies;
4. not own, directly or indirectly, equity interests in Cellularline, such as to compromise its independence;
5. not have had a public employment relationship with central or local administrations in the three years preceding the appointment as member of the Supervisory Board.

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Without prejudice to a possible revision of the composition of the Supervisory Board also on the basis of the experience in implementing the Model, the revocation of the members of this board may only occur for just cause and subject to a resolution of the Board of Directors. If the revocation occurs without just cause, the revoked member may apply for immediate reinstatement in office.

Possible just cause for suspension and subsequent removal from office includes:

1. loss of even one of the requirements of good repute or independence specified above (the occurrence of which must be promptly notified by the members of the Supervisory Board);
2. loss of the position of employee of Cellularline (for the internal member);
3. failure to perform or negligent performance of the duties assigned to the Supervisory Board, as well as violation of the Cellularline Code of Ethics and Model.

Should the revocation of the appointment be ordered against all the members of the Supervisory Board, the Cellularline Board of Directors, having consulted the Board of Statutory Auditors, shall promptly appoint a new Board. Pending the appointment of the new Supervisory Board, the functions and tasks assigned to it are provisionally exercised by the Board of Statutory Auditors, pursuant to Article 6, paragraph 4 *bis*, of Legislative Decree 231/2001.

### **3.3. POWERS AND FUNCTIONS OF THE SUPERVISORY BOARD**

The Cellularline Supervisory Board verifies the adequacy and effective compliance with the Model and its updating. More specifically, the following are the responsibility of the Supervisory Board:

- verify, on the basis of the Activity Plan, the adequacy and effectiveness of the Model in relation to the corporate structure and its actual capacity to prevent the commission of the offences referred to in Legislative Decree 231/2001;
- monitor, on the basis of the Activity Plan, the validity over time of Model 231 and procedures, promoting, also after consulting the Departments/Functions concerned, all necessary actions to ensure their effectiveness;
- carry out, on the basis of the Activity Plan, or even by means of unscheduled audits, checks at the company structures deemed to be at risk of offences, in order to ascertain whether the activity is carried out in accordance with the Model adopted;
- supervise the proper enforcement of Model 231 and check any conduct deviations, which may arise from the information flow analysis and the received reports;
- promote, in implementation of Model 231, the flow of information enabling the Supervisory Board to be periodically updated by the Departments/Functions concerned on the activities assessed to be at risk of offences;
- implement, in accordance with the Model, an appropriate information flow to the competent corporate bodies concerning the effectiveness of and compliance with Model 231;
- promptly notify the Board of Directors of any infringements of the provisions - regulatory and procedural - which may give rise to crimes pursuant to Legislative Decree 231/2001;
- promote, jointly with the competent Management, the training of Personnel through appropriate initiatives for the dissemination of knowledge and understanding of Model 231.

In order to carry out the tasks listed above, the Board is granted the following powers:

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- access to any company document and/or information relevant to the performance of their duties;
- make use of external consultants of proven professionalism in cases where this is necessary for the performance of its activities;
- request that the Managers of Departments/Functions provide the information, data and/or news requested from them in a timely manner;
- proceed, if necessary, to the direct hearing of the Company's Employees, Directors and members of the Board of Statutory Auditors;
- request information from third-party Addressees with whom the Company has relations, within the scope of the activities carried out on behalf of Cellularline. The Board may decide to delegate one or more specific tasks to its members, on the basis of their respective competences, with the obligation to report to the Board. In any case, also with regard to the functions delegated by the Board to individual members, the collective responsibility of the Board itself remains.

### **3.4. REPORTING BY THE SUPERVISORY BOARD TO THE CORPORATE BODIES**

The Cellularline Supervisory Board, within the scope of the duties assigned to it, informs the competent corporate bodies so that they may adopt the consequent resolutions and actions necessary to guarantee the effective and constant adequacy and concrete implementation of Model 231.

In particular, the Supervisory Board provides the Board of Directors with a periodic report on:

- activities carried out, with particular reference to the monitoring of the adequacy and effective implementation of the Model and its results;
- any criticalities that have emerged both in terms of conduct or events within the Company and in terms of the effectiveness of the Model;
- analysis of any reports received and related actions taken;
- information on the Activity Plan;
- any other information deemed useful.

The Supervisory Board periodically exchanges information with the Board of Statutory Auditors, also in meetings; finally, the Supervisory Board periodically sends the report of its activities to the Board of Statutory Auditors for review and appropriate alignment.

The Board shall also report to the Board of Directors any violations of the Model committed by the CEO, Company managers or Statutory Auditors, and to the Board of Statutory Auditors any violations of Model 231 committed by the auditing firm or by the Directors, so that it may adopt the measures provided for by law in this regard.

### **3.5. INFORMATION FLOWS TO THE SUPERVISORY BOARD**

Article 6 of Legislative Decree 231/2001 requires the provision in Model 231 of information obligations vis-à-vis the Supervisory Board responsible for supervising the operation of and compliance with the Model.

The provision of information flows is necessary in order to guarantee the effective and efficient supervisory activity of the Supervisory Board and for the possible ascertainment "a posteriori" of the causes that made possible the occurrence of the offences provided for by Legislative Decree 231/2001, as well as to continuously monitor the company's operations.



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All Addressees of Model 231 must also inform the Board of any violation of the Model, as well as of any conduct or event potentially relevant for the purposes of Legislative Decree 231/2001.

As provided for by the Confindustria Guidelines and the best application practices on the subject, the information flows to the Supervisory Board can be divided into:

- ad hoc information flows and regular reporting;
- reports.

Cellularline has defined a structured system of information flows that the Functions must submit to the Supervisory Board in order to facilitate the control Board in the continuous analysis of the trend of risks and control measures inherent to the identified Offence Risk Areas, in such a way as to support the Supervisory Board in the performance of its task of supervising the functioning and observance of the Model, in line with the provisions of Article 6, paragraph 2, letter d) of Legislative Decree 231/2001.

In particular, these information flows are divided into:

- a. **periodic information flows**, concerning activities that might be of relevance for the Board for the purposes of performing the tasks assigned to it (with the obligation to make available to the Supervisory Board the relevant documentation, where available) such as, by way of example:
  - a. information and training activities carried out in implementation of Model 231 and the participation in the same by Personnel;
  - b. application for, disbursement and management of public or subsidised loans;
  - c. any financial and commercial transactions carried out in countries with privileged tax regulations;
  - d. data on any accidents occurring in the Company, as well as on the so-called "near misses", i.e. all those incidents which, although not resulting in harmful events for workers, may be considered symptomatic of possible weaknesses or shortcomings in the health and safety system, as well as any measures taken to adapt protocols and procedures.
- b. **event information flows**, concerning the reporting of current or potential critical issues by corporate functions or third parties.

By way of example and without limitation, ad hoc information flows addressed to the Supervisory Board may concern:

- any measures notified by the Judicial Authority to the Company or its Directors or Employees from which it can be inferred that investigations are being conducted by the same Authority for administrative offences pursuant to Legislative Decree 231/2001 or for the relevant predicate offences, as well as for offences that may, even indirectly, give rise to administrative liability pursuant to Legislative Decree 231/2001;
- evidence of disciplinary proceedings conducted for violations of Model 231, their outcomes, grounds and any sanctions imposed;
- possible existence of situations of conflict of interest between one of the Addressees of the Model and the Company;
- any measures taken by the judicial authorities or supervisory bodies concerning occupational safety and health, from which violations of these rules emerge;
- initiation of inspections by the Public Administration or Supervisory Authorities (Judicial Authority, Guardia di Finanza, Judicial Police in general, ASL, etc.);
- copy of the minutes of the inspection visits carried out by the Public Administration or Supervisory Authority, where these have revealed findings;

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- operations of particular importance or which present risk profiles for the commission of offences;
- commission of administrative offences;
- conduct not in line with the rules of conduct laid down in the Model and the relevant procedures.

In view of the above-mentioned purposes, the above-mentioned disclosure shall have the following general characteristics:

- **selectivity and type of information content:** the Supervisory Board must only receive information relevant to the implementation of the Model and the Offence Risk Areas;
- **timeliness:** information flows must reach the Supervisory Board within the prescribed timeframe and, in any case, in the shortest possible time, in order to facilitate control by the Supervisory Board;
- **accuracy:** the corporate functions identified as responsible for communicating relevant facts, data and information to the Supervisory Board are responsible for ensuring the reliability, correctness and accuracy of the documentation transmitted.

On the basis of the above, the Supervisory Board may receive periodic information flows.

In order to manage these information flows, the Company has set up a communication channel consisting of the following dedicated e-mail address : [organismodivigilanza@cellularline.com](mailto:organismodivigilanza@cellularline.com).

### 3.5.1. REPORTING VIOLATIONS (WHISTLEBLOWING)

All Addressees of Model 231 are required to inform the Supervisory Board of any act, conduct or event of which they become aware and which could result in a violation of Model 231 or which, more generally, is potentially relevant for the purposes of Legislative Decree 231/2001.

As provided for in Legislative Decree 231/2001, the Company takes all necessary measures to ensure that, as far as reports of possible wrongdoing are concerned, whistleblowers are assured:

- a) one or more channels for submitting, in order to protect the integrity of the Entity, circumstantiated reports of unlawful conduct, relevant under Legislative Decree 231/01 and based on precise and agreed factual elements, or of violations of the Model, of which they have become aware by virtue of their functions; these channels guarantee the confidentiality of the identity of the whistleblower in the management of the report;
- b) at least one alternative reporting channel suitable for ensuring, by computerised means, the confidentiality of the whistleblower's identity;
- c) prohibition of acts of retaliation or discriminatory, direct or indirect, against the whistleblower for reasons connected directly or indirectly to the whistleblowing;
- d) that the disciplinary system (described in more detail below) provides for sanctions against those who violate the measures for the protection of whistleblowers, as well as those who make reports that turn out to be unfounded with malicious intent or gross negligence.

In line with the above, the Company has established a dedicated communication channel for reporting any violations of the law or of the principles of conduct defined by Cellularline, consisting of a dedicated e-mail address: [organismodivigilanza@cellularline.com](mailto:organismodivigilanza@cellularline.com).

In addition to the above e-mail address, the Company has also set up a physical address for the purpose of receiving whistleblower reports by paper mail to the Company address, Via Lambrakis no. 1/A, 42122 Reggio Emilia, indicating "Supervisory Board" as the addressee and specifying that it is "confidential" correspondence.

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These communication channels are set out in the "Procedure on whistleblowing" adopted by the Company.

These reporting procedures ensure the utmost confidentiality of the identity of whistleblowers in the handling of reports, also in order to avoid retaliatory attitudes or any other form of discrimination or penalisation against them.

The Supervisory Board assesses the reports received, also in anonymous form, determines the consequent initiatives, possibly hearing the whistleblower, if known, the alleged perpetrator of the breach, and/or any other person it deems useful, and also carries out all the checks and investigations necessary to ascertain the merits of the report, and justifies in writing any conclusion reached by its investigative activity.

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## SECTION FOUR

### 4. STAFF TRAINING AND DISSEMINATION OF THE MODEL

#### 4.1. STAFF TRAINING

Cellularline promotes awareness of Model 231 and its updates among all Employees.

In this context, communicative actions include:

- inclusion of the Model and the Code of Ethics on the company intranet;
- inclusion of the Model (limited to this General Part) on the Company's website;
- provision of the Model and the Code of Ethics to all current staff, as well as the distribution of these documents to new employees when they join the Company, with a signature attesting to their receipt and commitment to knowledge of and compliance with the relevant provisions;
- communication to Personnel in the event of an update of Model 231 and/or the Code of Ethics.

Furthermore, in accordance with the provisions of Legislative Decree 231/2001, the Company defines a training programme aimed at ensuring proper disclosure and knowledge of Legislative Decree 231/2001, the Model and the rules of conduct contained therein, as well as the Code of Ethics, in relation to the resources already present in the company and those to be hired (so-called new recruits).

Update training sessions are provided to Personnel in the event of significant changes to Model 231 or the Code of Ethics, where the Supervisory Board does not deem it sufficient, due to the complexity of the issue, to simply disseminate the change in the manner described above.

Initial communication and periodic staff training activities are documented by the Company. The competent function monitors that the training course is used by all staff, including new recruits.

#### 4.2. INFORMATION TO THIRD PARTIES

Cellularline promotes the knowledge of the Model and the Code of Ethics among those who have paid relations, or free of charge of any kind, with the Company (hereinafter, for the sake of brevity, referred to as "**Third Parties**"), as defined in the paragraph "Addressees" of this document.

In particular, the company functions involved from time to time provide Third Parties with whom they come into contact with suitable information regarding the Company's adoption of the Model, so that they are aware of the fact that Cellularline adopts a Model 231 and a Code of Ethics. The Company also invites Third Parties to read the contents of the Code of Ethics and Model 231 (general part) published on the Cellularline website.

By signing the general contractual conditions governing, *inter alia*, the subject of the Entity's administrative liability, the Third Party undertakes to refrain from any conduct liable to give rise to the offences set out in Legislative Decree 231/01 and its subsequent amendments and additions, set out in this document.

Specifically:

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- if the Third Party has adopted and implemented its own Model pursuant to Legislative Decree 231/01, it is required to make the relevant documentation available to the Company so that the latter may examine it and analyse its contents. If the Third Party violates the provisions of its own Model, this shall constitute a valid condition for termination of the contract;
- if the Third Party has not adopted its own Model pursuant to Legislative Decree 231/01, the Company shall make its own Model available so that the Third Party may take adequate notice and knowledge of it, specifying that any non-compliance, even partial, with the conduct principles referred to in the aforementioned document will be assessed for the purpose of protecting the rights and interests of the Company. The Third Party is also required to promptly report to the Company any news and circumstances from which non-compliance and/or violations of the Cellularline Model may be inferred.

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## SECTION FIVE

### 5. DISCIPLINARY SYSTEM AND MEASURES IN THE EVENT OF NON-COMPLIANCE WITH THE REQUIREMENTS OF THE MODEL

#### 5.1. GENERAL PRINCIPLES

Cellularline is fully aware that the preparation of an adequate system of sanctions for the violation of the rules contained in this Model is an essential condition for ensuring its effectiveness and effective implementation.

In this regard, in fact, Legislative Decree 231/2001 provides that organisation and management models must *"introduce a disciplinary system capable of sanctioning non-compliance with the measures indicated in the Model"*.

This disciplinary system applies, to the extent relevant for the purposes of Legislative Decree 231/2001, in respect of members of the Board of Directors and the Board of Auditors, employees and third parties working on behalf of the Company.

With regard to employees, such a disciplinary code must integrate the prerequisites for suitability under Legislative Decree 231/2001 with the labour law profiles defined by the current code, special legislation and national and company collective bargaining.

The disciplinary system is subject to constant verification and evaluation by the Supervisory Board with the support of the competent corporate functions.

The Supervisory Board shall report to the management board, for appropriate measures, any ascertained violation of Model 231 of which it becomes aware.

For ascertaining and contesting breaches of Model 231 and the application of sanctions, the powers already conferred, within the limits of their respective delegated powers and competences, on the managers and heads of the Entity shall remain valid, who shall in any case keep the Supervisory Board informed of any sanctioning procedure implemented and its outcome.

For the purposes of this disciplinary system and in compliance with the provisions of collective bargaining, conduct in breach of Model 231 is punishable. Since the latter consists of numerous components, it follows that a "violation of Model 231" must also be understood as a violation of one or more principles or rules defined by the various company documents that make up the Model components.

The application of disciplinary sanctions is irrespective of the initiation and/or outcome of any criminal proceedings, since the rules of conduct imposed by Model 231 are assumed by Cellularline in full autonomy and regardless of the type of offence that violations of Model 231 may determine.

In particular, it is possible to identify, by way of example and not exhaustively, the following main types of violations:

- a) non-compliance with Model 231, in the event of violations aimed at committing one of the offences provided for in Legislative Decree 231/2001 or, in any case, there is a danger that the Company may be held liable under Legislative Decree 231/2001;
- b) non-compliance with Model 231, in the event of violations connected in any way to the areas

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at risk of offences ("direct" and "instrumental") or to the sensitive activities indicated in the Special Parts of Model 231;

- c) failure to document, preserve and control the documents required by the procedures in such a way as to prevent them from being transparent and verifiable;
- d) failure of hierarchical superiors to supervise the conduct of their subordinates in order to verify the correct and effective application of the provisions of Model 231;
- e) non-participation in training activities relating to the content of Model 231 and, more generally, of Legislative Decree 231/2001 by the Addressees;
- f) violations and/or circumvention of the control system, carried out by removing, destroying or altering the documentation provided for by the procedures, or by preventing control or access to information and documentation by the persons in charge, including the Supervisory Board;
- g) any form of retaliation, discrimination or other penalisation, even indirectly, against the persons reported and, above all, the whistleblowers;
- h) reports that turn out to be unfounded, made with malice or gross negligence;
- i) violation of the measures put in place to protect the whistleblower;
- j) violation of the obligations to provide information to the Supervisory Board (described in the dedicated paragraph).

More generally, violations can be classified into the following conducts:

- conduct constituting a culpable failure to implement the provisions of the Model, including company directives, procedures or instructions;
- conduct that constitutes a serious wilful transgression of the provisions of the Model, including Cellularline directives, procedures or instructions, such as to compromise the relationship of trust between the perpetrator and the Company in that it is unequivocally aimed at committing an offence.

The identification and application of sanctions must take into account the principle of proportionality and adequacy compared to the charged violation.

In this respect, the following elements are significant:

- type of offence alleged;
- concrete circumstances in which the offence took place (concrete time and manner in which the offence took place);
- overall conduct of the Addressee;
- duties of the Addressee;
- severity of the breach, also taking into account the subjective attitude of the agent (intentionality of the conduct or degree of negligence, imprudence or inexperience, with regard to the foreseeability of the event);
- extent of the damage or danger as a consequence of the infringement for the Company;
- possible commission of several violations within the same conduct;
- possible complicity of several persons in the commission of the infringement;
- possible recidivism of the author.

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The measures and disciplinary sanctions that may be imposed on the categories of persons listed below are set out in detail below.

**5.2. MEASURES AGAINST NON-MANAGERIAL EMPLOYEES**

Conduct by employees in violation of the rules of conduct prescribed in Model 231 is defined as "disciplinary offences".

The abstract categories of breaches describe the conduct subject to sanction, in relation to which sanctions are envisaged in accordance with the principles of proportionality and appropriateness, and taking into account the circumstances set out in the preceding paragraph. 4.3.

With regard to the system of sanctions provided for employees, the Company must comply with the limits set out in Article 7 of Law 300/1970 (so-called "Workers' Statute") and the provisions contained in the National Collective Bargaining Agreement (CCNL) for employees in the Tertiary Sector, both with regard to the sanctions that can be imposed and to the procedures for exercising disciplinary power.

Failure to comply - by employees - with the provisions and procedures laid down in the Model constitutes a breach of the obligations arising from the employment relationship pursuant to Article 2104 of the Civil Code and a disciplinary offence.

More specifically, the adoption, by an employee of the Company, of conduct that can be qualified, on the basis of the above, as a disciplinary offence, constitutes a breach of the employee's obligation to perform the tasks entrusted to them with the utmost diligence, complying with the Company's directives, as provided for by the relevant CCNL.

The following sanctions may be imposed on employees:

- i. verbal warning;
- ii. written warning;
- iii. fine not exceeding four hours' hourly pay calculated on the minimum wage;
- iv. suspension from work and pay up to a maximum of ten days;
- v. dismissal.

The detection of any violations may result in the employee being suspended from work as a precautionary measure.

In order to highlight the criteria of correlation between violations and disciplinary measures, it should be noted that, by way of example:

- the disciplinary measure of a verbal warning shall be applied to any employee who:
  - violates, through mere negligence, company procedures and/or the prescriptions of the Code of Ethics or adopts, in the performance of sensitive activities, conduct that does not comply with the prescriptions contained in the Model, if the violation has no external relevance;
- the disciplinary measure of a written warning shall be applied to any employee who:
  - is a repeat offender during the two-year period in the commission of infringements for which a verbal warning is applicable;
  - violates, through mere negligence, company procedures and/or the provisions of the Code of Ethics or adopts, in the performance of activities in risk areas, conduct that does not comply with the provisions contained in the Model, if the violation has external relevance;



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- the disciplinary measure of a fine not exceeding four hours' hourly pay, calculated on the basis of the minimum wage, shall be applied to any employee who:
  - is a repeat offender during the two-year period in the commission of offences for which a written warning is applicable;
  - due to the level of hierarchical or technical responsibility or in the presence of aggravating circumstances, impairs the effectiveness of the Model by conduct such as:
    - failure to comply with the obligation to inform the Supervisory Board;
    - the making, with gross negligence, of false or unfounded reports of violations of the Model or the Code of Ethics;
    - violation of the measures adopted by the Company to ensure the protection of the identity of the whistleblower;
- the disciplinary measure of suspension from work and pay up to a maximum of ten days shall be applied to any employee who:
  - is a repeat offender, during the two-year period, in the commission of offences for which a fine of not more than three hours' hourly pay calculated on the minimum wage is applicable;
  - violates the provisions concerning signature powers and the system of delegated powers;
  - makes, with malicious intent, false or unfounded reports of violations of the Model and the Code of Ethics;
  - violates the measures adopted by the Company aimed at ensuring the protection of the identity of the whistleblower so as to generate retaliatory attitudes or any other form of discrimination or penalisation against the whistleblower.
- the disciplinary measure of dismissal shall be applied to any employee who:
  - fraudulently eludes the prescriptions of the Model by means of a conduct unequivocally aimed at committing one of the offences provided for in Legislative Decree 231/2001;
  - violates the internal control system by the removal, destruction or alteration of documents or by preventing control or access to information and documents by the competent bodies, including the Supervisory Board, in such a way as to prevent the transparency and verifiability thereof;
  - is a repeat offender for the infringements referred to in the preceding points, limited to false or unfounded reports made with malicious intent or gross negligence and to violations of the measures adopted by the Company to ensure the protection of the identity of the whistleblower.

The Company may not take any disciplinary action against the employee without first notifying them of the charge and hearing their defence. Except in the case of a verbal warning, the complaint must be made in writing and disciplinary measures may not be imposed until five days have elapsed, during which the employee may present their justification.

The imposition of the disciplinary measure must be justified and communicated in writing.

Disciplinary measures may be challenged in the trade union, according to the applicable contractual rules. The dismissal may be challenged according to the procedures provided for in Law 300/1970.

The principles of correlation and proportionality between the violation committed and the sanction imposed are ensured by assessing the following aspects:

- severity of the violation committed;

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- employee's task, role, responsibility and autonomy;
- predictability of the event;
- intentionality of the conduct or degree of negligence, recklessness or inexperience;
- overall conduct of the infringer, with regard to the existence or otherwise of a disciplinary record;
- other special circumstances characterising the breach.

The Company's right to claim compensation for the greater damage suffered as a result of the conduct of the employee in question shall in any event remain unaffected.

The existence of a system of sanctions related to non-compliance with the Model is brought to the attention of employees through the means deemed most appropriate by the Company.

**5.3. MEASURES AGAINST EXECUTIVES**

Failure by executives to comply with the provisions of the Model, and of all the documentation that forms part of it, including violation of the obligations to inform the Supervisory Board, determines the application of the sanctions set out in the National Collective Bargaining Agreement for Executives of companies producing goods and services, in compliance with Articles 2106, 2118 and 2119 of the Civil Code, as well as Article 7 of Law 300/1970, in accordance with the procedure set out in the previous paragraph.

The ascertainment of any violations, as well as inadequate supervision and failure to promptly inform the Supervisory Board, may result in workers with executive status being suspended from work as a precautionary measure, without prejudice to the executive's right to remuneration. In such cases, as a consequence of suspension, there will also be disqualification from any other corporate offices held by the executive.

In the event of serious violations, the Company may proceed with early termination of the employment contract without notice pursuant to Article 2119 of the Civil Code.

If the breach is minor but still serious enough to damage the fiduciary relationship, the executive incurs justified dismissal with notice.

The Company's right to claim compensation for the greater damage suffered as a result of the conduct of the executive in question shall in any event remain unaffected.

**5.4. MEASURES AGAINST DIRECTORS**

In the event of an ascertained breach of the Model by the Directors, the Supervisory Board shall promptly inform the Company's administrative Board and the Board of Statutory Auditors, so that they may take or promote the most appropriate and adequate initiatives, within the scope of their respective competences, in relation to the seriousness of the breach detected and in accordance with the powers provided for by the applicable laws and by the Articles of Association.

In particular, in the event of a breach of the Model by one or more directors not unequivocally aimed at facilitating or committing an offence covered by Legislative Decree 231/2001, the administrative body may proceed directly to impose one of the following sanctions, depending on the seriousness of the offence and in accordance with the powers provided for by law and/or the Articles of Association:

- statements in the minutes of the meetings;
- formal notice;
- revocation of assignment/delegation;

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- request to call or convene a Shareholders' Meeting with, on the agenda, the adoption of appropriate measures against the persons responsible for the violation, including the exercise of legal proceedings aimed at the recognition of the Director's and/or Statutory Auditor's liability towards the Company and compensation for any damages suffered and to be suffered.

In the event of violations unequivocally aimed at facilitating or committing an offence included in the scope of application of Legislative Decree 231/2001, by one or more directors, sanctions (such as, by way of example, temporary suspension from office and, in the most serious cases, removal from office) will be adopted by the Shareholders' Meeting.

### **5.5. MEASURES AGAINST AUDITORS**

In the event of an ascertained breach of the provisions and rules of conduct of the Model by one or more auditors, the Supervisory Board shall promptly inform the administrative body.

The addressees of the Supervisory Board's report, having assessed the grounds of the report and carried out the necessary checks, may, in accordance with the provisions of the Articles of Association and the Law, take the appropriate measures, including, for example, calling a shareholders' meeting, in order to adopt the most appropriate measures provided for by law.

### **5.6. MEASURES AGAINST THIRD-PARTY ADDRESSEES**

Any conduct in conflict with the provisions of Legislative Decree 231/01 and implemented within the scope of a contractual relationship by those suppliers, consultants, counterparties and other parties external to the Company who have signed the general contractual conditions or other contractual documents governing the subject of administrative liability with it, may result in:

- warning of punctual compliance with the Model, under penalty of the application of the penalty indicated below or the termination of the contractual relationship with the Company;
- application of an agreed penalty of 10% of the agreed consideration in favour of the Third-Party Addressee;
- immediate termination of the contractual relationship with the Company.

The counterparty, therefore, undertakes to refrain from conduct that may constitute a type of offence contemplated by Legislative Decree 231/2001, as well as to read and comply with the measures defined by the Company, such as Model 231 and the Code of Ethics.

In the event that the violations are committed by administered workers, i.e. within the framework of works or services contracts, the sanctions will be applied to the worker upon the positive finding of the violations by their employer (administrator or contractor) and the proceedings may also give rise to actions against the administrator or contractor itself.

In the context of its relations with Third-Party Addressees, the Company shall include, in the letters of appointment and/or in the relevant negotiation agreements, specific clauses aimed at providing for the application of the measures indicated above in the event of violation of the Model.

The Company may, in any case, limit itself to requesting, in accordance with contractual agreements with contractors and subcontractors, the replacement of workers who have committed the above violations.

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**5.7. MEASURES AGAINST THOSE WHO BREACH THE WHISTLEBLOWER PROTECTION  
SYSTEM ("WHISTLEBLOWING")**

In the event of retaliatory or discriminatory conduct against the person(s) who has/have made a report under the procedure laid down by the Company, or in the event of breach of the whistleblower's confidentiality obligations, the person and/or persons who have carried out such conduct shall be subject to the disciplinary measures set out in the preceding paragraphs with respect to the corporate position held.

**ORGANISATION AND MANAGEMENT MODEL PURSUANT TO LEGISLATIVE DECREE  
231/01 - GENERAL PART**

**SECTION SIX**

**6. UPDATING AND ADAPTING THE MODEL**

Pursuant to Article 6 of Legislative Decree 231/2001, the Board of Directors of Cellularline oversees the updating and adaptation of the Model.

The Board of Directors entrusts the Department in charge of human resources management with the responsibility of overseeing, in liaison with the other competent Departments/Functions, the updating of the Model, as well as the drafting and updating of its components.

Events that, in the spirit of maintaining an effective and efficient Model 231 over time, may be taken into consideration for the purposes of updating or adapting the Model, include, but are not limited to:

- legislative changes with reference to the discipline of the liability of entities for administrative crimes arising from crimes;
- orientations of the prevailing jurisprudence and doctrine;
- shortcomings and/or gaps and/or significant violations of the provisions of Model 231 found following audits of its effectiveness;
- significant changes in the organisational structure, business sectors and processes of the Company;
- considerations arising from the application of Model 231, including the results of updates to the "historical analysis" (such as, for example, experiences from criminal proceedings or the results of the Supervisory Board's supervisory activities).