TENUTA DI DONNAFUGATA S.r.l.
società agricola

Organisational, Management and Control Model
pursuant to Legislative Decree No. 231/2001

Updated version, approved by the Board of Directors on 25/07/2025

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GENERAL SECTION

INTRODUCTION

In line with the Company's policies, which have always been guided by the principles of fairness and transparency in the conduct of its business, in addition to the Code of Ethics Donnafugata has deemed it appropriate to adopt this organisational and management model pursuant to Legislative Decree 231/2001.

The main purpose of the organisational model is to organise the business in such a way as to avoid facilitating or concealing unlawful conduct and to prevent the commission of the various types of offences covered by Legislative Decree 231/2001 through a system of organisational and control procedures that safeguard Donnafugata from unlawful conduct committed within the Company.

This organisational model also serves as a tool for raising the awareness of shareholders, the management and control body, employees, workers and all those who have dealings with Donnafugata (suppliers, customers, commercial and contractual partners, consultants) to ensure that they act in accordance with the ethical values that guide the Company in the pursuit of its corporate purpose and, in any event, in such a way as to prevent the risk of criminal offences being committed.

The organisational model also aims to disseminate and consolidate a corporate culture based on compliance with the law and the monitoring of all decision-making and operational phases of the Company's activities. These objectives are pursued through the adoption of appropriate measures to ensure compliance with the principles of fairness and transparency in decision-making and the existence of preventive and subsequent controls designed to identify unlawful conduct or conduct indicative of unlawful intent adopted in the course of the Company's activities and, more generally, situations of risk or conflict with regard to the ethical values and principles of conduct set out in this model.

1) LEGISLATIVE DECREE 231/01

1.1 The system of administrative liability applicable to legal persons, companies and associations

Legislative Decree No. 231 was issued on 8 June 2001 pursuant to the delegated powers referred to in Article 11 of Law No. 300 of 29 September 2000 and concerns the *"Regulation of the administrative liability of legal persons, companies and associations, including those without legal personality*".

It introduced into Italian law a system of corporate liability for certain offences committed, for their own benefit or in their own interest, by natural persons that hold representative, management or executive roles in said companies or within a related business unit with financial or functional autonomy, or by individuals under the management or supervision of any of the aforementioned persons.

This liability is additional to that of the individual who actually committed the offence.

The extension of liability is intended to hold "organisations" that have benefited from the commission of certain criminal offences liable for those offences.

1.2 Criteria for the attribution of liability

The rules on corporate liability set out in the Decree are based on a combination of:

- criteria for the attribution of objective liability;
- criteria for the attribution of subjective liability.

1.2.1 Criteria for the attribution of objective liability

In accordance with the criteria for the attribution of objective liability, the organisation is liable where:

- the offence was committed by a person functionally linked to the organisation and
- the offence was committed in the interests or for the benefit of the organisation.

The perpetrators of the offence that may give rise to corporate liability may be:

A) senior managers, that is, persons with powers of administration, management and direction within the organisation; this category includes directors, general managers, legal representatives, division or plant managers and, in general, all those who hold, even if only de facto, representative, management or executive roles in the organisations or within a related business unit with financial or functional autonomy;

B) subordinate persons, who are subject to the management and supervision of senior management; this category includes all employees of the organisation, as well as all those who act in the name, on behalf of or in the interests of the organisation, such as workers and contractors.

For the organisation to be held liable under the Decree, the offence must have been committed in its interest or for its benefit: this requirement is deemed to be met where the perpetrator of the offence acted with the intention of benefiting the organisation and the latter, as a result of the offence, obtained an advantage or a favourable outcome. Conversely, the organisation is not liable if the offence was committed solely in the interests of the perpetrator of the offence or of third parties.

The criteria for attributing objective liability to the organisation differs depending on whether the offence was committed by a senior manager or by a subordinate:

- if the offence is committed by a person at the head of the organisation, it is presumed that the offence is attributable to a policy of the organisation or, at the very least, to an organisational failure; for this reason, the organisation will be held liable unless it can demonstrate that it had no part in the unlawful act;

- if the offence is committed by a subordinate, the organisation's liability is attributed to the (wilful or negligent) failure of senior management to fulfil their management or supervisory obligations.

Pursuant to Article 4 of the Decree, the organisation may be held liable even if the offence was committed abroad. The conditions on which the liability of the organisation for offences committed abroad is based (as set out in the regulation or as can be inferred from the Decree as a whole) can be summarised as follows:
(a) the offence must be committed abroad by a person functionally linked to the organisation, within the meaning of Article 5(1) of the Decree;

(b) the organisation must have its head office within the territory of Italy;

(c) the organisation may be held liable only in the cases and under the conditions set out in Articles 7, 8, 9 and 10 of the Italian Criminal Code;

(d) where the cases and conditions set out in the aforementioned articles of the Criminal Code apply, the State in which the offence was committed shall not bring proceedings against the organisation.

1.2.2 Criteria for the attribution of subjective liability

The criteria for attributing subjective liability to the organisation relate to the element of "negligence": for the organisation to be held liable for an offence, the unlawful act must be "attributable" to it, that is, it must be the result of a company policy or, at the very least, an organisational failure.
The organisation shall be held liable if appropriate management and control standards for the organisation's business sector have not been adopted or have not been effectively implemented. The culpability of the organisation and the possibility of challenging its liability depend on whether organisational failings are found to have facilitated the commission of one of the predicate offences.

Conversely, the Decree holds the organisation harmless from liability in the case that, prior to the commission of the offence, the organisation adopted a suitable "organisational, management and control model" for preventing the commission of offences of the kind committed within the organisation.

1.3 The adoption of the "Organisational and Management Model" as a possible defence against administrative liability

As per Article 6 of the Decree, companies are exempt from administrative liability where they can demonstrate that:

- a suitable "Organisational and Management Model" for preventing offences of the type committed was adopted and effectively implemented before the offence was committed;
- the task of monitoring the operation, effectiveness, updating and observance of the Model was entrusted to a body with independent powers of initiative and oversight;
- the individuals who committed the offence acted by fraudulently circumventing the aforementioned Model;
- there was no omission or failure to exercise due diligence on the part of the controlling body.

All four of these conditions must be satisfied.

Where the offence was committed by a senior manager, the organisation is presumed to be "guilty" unless it can prove that the Model was fraudulently circumvented. Conversely, if the offence was committed by a subordinate, the organisation is only liable if the Public Prosecutor's Office proves that the commission of the offence was made possible by the failure of senior management to fulfil their management and supervisory obligations.

The Decree stipulates that the "Organisational, Management and Control Model" must, amongst other things:

- identify the activities (so-called "Sensitive Activities") within the scope of which offences may be committed (Article 6(2)(a));
- establish specific protocols for planning the organisation's processes of making and implementing decisions in relation to the offences to be prevented (Article 6(2)(b));
- identify appropriate methods for managing financial resources in order to prevent such offences from being committed (Article 6(2)(c));
- designate a supervisory body responsible for monitoring the operation, observance and updating of the Model (Article 6(1)(b));
- establish obligations to provide information to the Supervisory Board (Article 6(2)(d));
- introduce an internal disciplinary system to impose penalties for failure to comply with the measures set out in the Model (Article 6(2)(e)).

Adoption of the Model is optional. The Decree (Article 6(3)) establishes that the Model may be adopted on the basis of the Codes of Conduct drawn up by the trade associations that represent the organisations and communicated to the Ministry of Justice.
This Model takes into account the principles set out in Confindustria's "Guidelines for the development of organisational, management and control models pursuant to Legislative Decree 231/01".

1.4 Penalties

The Decree sets out the applicable penalties where an administrative offence arising from a criminal offence is established; such an offence retains its administrative nature even though it follows a conviction by a criminal court. The Decree distinguishes between four types of penalty:

- administrative penalty;
- disqualification order;
- confiscation;
- publication of the judgement.

Attached is the list, updated as at the date of approval of this Model, of predicate offences and the applicable penalties where an administrative offence arising from a criminal offence is established.

1.5 Attempted offences

The Decree provides for and regulates cases in which the offence is committed only in the form of an attempt. Article 26 of the Decree stipulates that *"financial penalties and disqualification orders shall be reduced by between one-third and one-half in the case of the attempted commission of the offences set out in this chapter of Decree 231/2001. The organisation shall not be held liable for attempted offences where it deliberately prevents the act from being carried out or the event from occurring*".

1.6 Liability and events giving rise to amendments

The Decree sets out the rules on liability in the event that the Company alters its structure following the commission of an offence.

In the event of a reorganisation or merger, the company resulting from the change shall be liable for offences committed by the original organisation with the resulting application of the penalties imposed. In the event of a partial demerger, the liability of the demerged organisation for offences committed prior to the demerger remains unaffected. However, the organisation that benefit from the demerger are strictly liable, to the extent of the value of the assets transferred, for the payment of any financial penalties owed by the demerged organisation in respect of offences committed prior to the demerger. Any disqualification orders imposed shall apply to those organisations to which the branch of business in which the offence was committed has remained or has been transferred, even in part.

In the event of the sale or transfer of the company within which the offence was committed, the transferee shall be jointly and severally liable with the transferor for payment of the financial penalty, subject to the right to seek prior enforcement against the transferring organisation and, in any event, within the limits of the value of the transferred company and the financial penalties recorded in the statutory accounts, or of which the transferee was in any case aware.

2) THE ORGANISATIONAL, MANAGEMENT AND CONTROL MODEL

2.1 Objectives pursued through the adoption of the Model

As part of its corporate policy, which is guided by the need to ensure fairness and transparency in the conduct of its business, and in order to safeguard its reputation and standing as well as the work of its employees, Donnafugata has decided to comply with the provisions set out in the Decree by drawing up and implementing this Organisational, Management and Control Model (hereinafter also "Organisational Model" or "Model").

This decision, consistent with the issuing of the Code of Ethics, was taken in the belief that the adoption of this model will help to ensure that all those who work for and on behalf of Donnafugata conduct themselves appropriately in the course of their duties and thereby prevent the risk that the criminal offences set out in the aforementioned Decree be committed.

In particular, the Model establishes rules and procedures designed to prevent unlawful conduct relevant for the purposes of the liability referred to in the Decree.

2.2 Method for developing the Model

In preparation for the drafting of this Model, Donnafugata carried out an analysis of its organisation and activities, taking account, amongst other things, of the Confindustria Guidelines and standard practice regarding organisational models pursuant to Legislative Decree No. 231/2001. In any event, any discrepancies between this Model and the indications contained in the aforementioned guidelines – general in nature and non-binding – do not affect its validity, effectiveness and suitability, as the Model has been drawn up on the basis of Donnafugata's organisational structure and the activities it actually performs.

Various investigative activities were carried out in preparation for the drafting of this Model, including:

- a general analysis of the Company's organisational chart and structure, with regard, amongst other things, to existing working methods and codes of conduct, the division of management, operating and control functions, and the electronic tools used;
- the mapping of Sensitive Activities, within the scope of which the offences set out in the Decree may be committed. These investigations were carried out through an analysis of corporate and business documents, as well as a series of interviews with functional managers from the Company's various divisions.

The drafting of this Model takes account of the following:

- the Company must adopt the Model and the Code of Ethics defining the rules that govern the activities which reflect the company policy of preventing offences from being committed in its interests, both in general terms and with specific regard to the criminal offences to which the provisions of the Decree apply;
- Senior Managers and Subordinate Persons must be identified and/or clearly identifiable within the Company;
- activities vulnerable to the risk of criminal offences must be constantly monitored; in the event of significant structural changes in the organisation, additional investigations must be carried out to check for any other areas of concern;
- the Model must include specific protocols for planning the process of making and implementing decisions vulnerable to the risk of criminal offences, dividing responsibilities appropriately between the various parties concerned. The existence and proper functioning of the system of corporate delegations and powers, as well as the internal regulatory framework, must be verified. In particular, care must be taken to ensure that powers relating to such operations are not concentrated in the hands of a single person, and it must be possible to clearly and unambiguously identify the role and responsibilities of each individual within the decision-making process;
- in accordance with the provisions of Article 25(f) of the Decree, the Company must also comply with the provisions of the risk assessment document drawn up pursuant to Articles 17(1)(a) and 28 of Legislative Decree 81/2008, which has already been adopted by Donnafugata;
- specific procedures must be established for the management of financial resources with the goal of preventing any unlawful conduct, particularly in relation to the creation of off-balance-sheet accounts;
- the specific situations in which individuals in senior positions may have an interest in fraudulently circumventing the model must be identified, along with the ways in which this might occur;
- appropriate measures must be put in place to prevent such attempts at fraudulent circumvention;
- a Supervisory Board must be established to monitor the implementation and ongoing updating of the Model;
- the Model must establish a monitoring system consistent with the structure of the organisation that enables the identification and reporting of any unlawful conduct, as well as any situations involving the risk of criminal offences and attempts to circumvent the Model;
- the flow of information between the various stakeholders, between stakeholders and other bodies within the organisation, and, in particular, in relation to the Supervisory Board, must be regulated;
- a system of disciplinary penalties must be established which also includes the imposition of the standard penalties applied under company law, or the termination of the contractual or employment relationship;

- management systems for financial resources (both incoming and outgoing) must be put in place (and, where already in place, maintained and used effectively) to enable the identification and prevention of the offences referred to in the Decree.

In any event, the adoption of the Model must not have a paralysing effect on the management bodies or give rise to costs, resulting from excessive bureaucratic complications, beyond what is necessary to ensure its effectiveness in preventing criminal offences.

2.3 Structure of the Model

This Model consists of a "General Section", individual "Special Sections" drawn up for the various types of offence covered by the Decree, and "Annexes":

- the "General Section" sets out the essential components of the Model, with particular reference to the supervisory body, staff training and the dissemination of the Model within the organisation, the disciplinary system and the measures adopted in the event of non-compliance with the Model's provisions;

- the various Special Sections have been drawn up specifically in relation to the types of offences which Donnafugata could, in theory, be suspected of committing by virtue of the activities it carries out, and set out:
    - a description of the respective offences;
    - the specific business activities that are deemed to be sensitive;
    - the principles of conduct to be observed;
    - the control protocols put in place to oversee Sensitive Activities;
    - the systematic information flows that have been established.

- the "Annexes", which form an integral and essential part of the Model, consist of:
  I) the updated company organisation chart;
  II) the updated risk mapping document, drawn up on the basis of interviews conducted with those responsible for activities where the risk of a criminal offence being committed might arise, for the purposes of updating this Model;
  III) powers of attorney granted in connection with the delegation of functions;
  IV) the risk assessment document drawn up in accordance with Articles 17(1)(a) and 28 of Legislative Decree 81/2008;
  V) internal procedures for the protection and security of personal data;
  VI) the diagram showing information flows to the Supervisory Board;
  VII) the whistleblowing procedure.

2.4 Adoption of the Model

The Model has been drawn up in accordance with the methodological guidelines set out below.

2.4.1 Definition of "Internal Control System"

The Internal Control System represents the corporate context within which the control system is designed and subsequently monitored, and is borne from the decisions taken by the management on the definition of organisational variables (e.g. organisational structure, computer system, management control processes, quality management systems). Donnafugata's control environment consists of the set of internal processes, procedures and control systems deemed suitable for preventing offences and exercising control over "Processes most vulnerable to criminal offences".

2.4.2 Identification of "Processes most vulnerable to criminal offences"

The analysis of the corporate context, represented by the "Control System", was carried out through the examination of company documentation (organisation charts, key processes, the system of delegations, company procedures, operating instructions, company communications, etc.) and a series of interviews with key individuals, as identified in the organisation chart and the system of delegations, with the aim of identifying "vulnerable processes" and the elements of the preventive internal control system (existing procedures, verifiability, traceability, consistency and coherence of operations, segregation of duties, traceability of controls, etc.).

The aim of this phase is to identify the "Processes most vulnerable to criminal offences" and to assess the effectiveness of existing controls.

Following the risk mapping exercise, a risk matrix document was drawn up, identifying sensitive areas and the codes of conduct implemented to prevent offences from being committed. The document in question is in the Company's records. The updated version of this document is attached to this Model.

2.4.3 Improving the preventive control system

The measures required to strengthen the current internal control system were identified on the basis of the findings of the analyses, and a company organisational, management and monitoring model was adopted to ensure that the system complies with the provisions of the Decree.

2.4.4 Approval of the Model

The Board of Directors has exclusive authority to adopt, amend and supplement the Model, as well as to appoint the members of the Supervisory Board, which is responsible for continuously monitoring the adoption, effective implementation and observance of the Model.

2.4.5 Amendments and additions to the Model

Given that the Model constitutes an "act issued by the governing body", the power to make subsequent substantive amendments and additions to the Model is the prerogative of the Board of Directors. The Board of Directors decides on any substantial amendments proposed by the Chairman, the Chief Executive Officer or the Supervisory Board.

Amendments include:
- the inclusion, supplementing and/or deletion of Special Sections;
- the inclusion, supplementing and/or deletion of some sections of the Model;
- changes to the responsibilities and activities of the Supervisory Board;
- the updating of the Model following any event or circumstance that has a significant impact on the Company's organisational and corporate structure;
- the updating of the general delegation and control mechanisms set out in this Model;
- the inclusion of new categories of criminal offences amongst the predicate offences covered by the Decree;
- the consolidation of interpretative guidelines derived from case law or legal doctrine, on the basis of which it may be advisable to supplement or amend one or more sections of the Model.

The Chairman or Chief Executive Officer of Donnafugata is also granted the following management powers in relation to the Model:

- the addition of high-risk areas in the Special Sections already approved by the Board of Directors and the definition of the relative operational measures;
- changes to the risk assessment tables;
- non-substantial amendments to the Model, such as changes to the names of areas, functions, etc.;

- organisational changes that do not affect the fundamental principles of control, such as the consolidation of departments, procedures, processes, etc.

In any event, this Model must be amended or supplemented without delay by the Donnafugata Board of Directors, including upon the recommendation of the Supervisory Board, when:
- there have been breaches of or circumventions of the provisions of the Model which have demonstrated its ineffectiveness or inconsistency for the purposes of preventing offences, or
- there have been significant changes to the regulatory framework, the organisation or the activities of the Company.

Any amendments, additions or updates to the Model must be promptly reported to the Supervisory Board.

2.5 Recipients of the Model

This Model applies to all those who hold corporate offices within Donnafugata, as well as to its staff and, in particular, to those who carry out activities classified as sensitive. More generally, the Model applies to all those who, whether de facto or otherwise, perform management, administrative, executive or supervisory functions within the Company or within a business unit of the Company with financial and functional autonomy.
The provisions set out in the Model must also be observed by those who act in the name and on behalf of the Company and by all employees.
In order to ensure more effective prevention of criminal offences, the Model must also be respected and observed by external collaborators – whether physical persons or companies – who provide ongoing support to Donnafugata, for example by including a contractual clause to this effect.
The Model is also applicable to those who, whilst not being members of the Company, act under a mandate or on behalf of the Company, or are otherwise bound by relevant legal relationships for the purposes of the necessary prevention of the offences set out in the Decree.
Finally, the Model applies to employees, executives, consultants and/or workers of third-party companies who hold positions within Donnafugata's divisions or carry out Sensitive Activities on its behalf.
The recipients of the Model, as identified above (hereinafter "Recipients"), are required to comply with the provisions contained in the Model with the utmost diligence, ensuring that their activities comply with the procedures set out in the Codes of Conduct applicable to their respective operating divisions.

3) DONNAFUGATA'S CORPORATE AND BUSINESS PROFILE

3.1 The Company

Tenuta di Donnafugata S.r.l. società agricola is headquartered in Marsala (TP).

At the time of the adoption of this updated version of the Model, its share capital amounts to €8,000,000.00 and is held by the following shareholders:

- Mrs. Vincenza Gabriella Anca, holding 20.66%, as a usufructuary;
- Ms. Giuseppina Rallo, with a 39.67% share, of which 20% full ownership and 19.66% bare ownership;
- Mr. Antonino Rallo, with a 39.67% share, of which 20% full ownership and 19.66% bare ownership;

Of the aforementioned capital, a 59% share, representing a nominal value of €4,720,000, is undivided, and the relevant rights are exercised by a common representative.

3.2 Company history

Donnafugata was incorporated on 7 February 1983 and entered in the Register of Companies on 29 March 1983.
By deed dated 9 November 2010, Donnafugata merged with the company "Donnafugata società agricola società semplice" through a merger by incorporation, with accounting and tax effects from 1 January 2011.

3.3 Corporate purpose

At the time of the adoption of this updated version of the Model, Donnafugata's corporate purpose is the exclusive pursuit of agricultural and related activities as per Article 2135 of the Italian Civil Code and the cultivation of agricultural land, whether owned or leased, utilising all appropriate technology for the processing and marketing of the products obtained.

Among other things, it may:
- cultivate land and perform related activities, with particular reference to all activities aimed at the handling, storage, processing, marketing and promotion of products obtained mainly from the cultivation of said land, primarily using the Company's own equipment and resources;
- carry out activities aimed at promoting the local area and its rural and forestry heritage, or accommodation and hospitality activities, as defined by relevant legislation;
- manage plants and equipment for the production and use of renewable energy sources.

The Company may take all necessary measures to fulfil its corporate purpose, including:
- carrying out commercial, industrial, mortgage and property transactions, including the purchase, sale and exchange of movable property (whether registered or not), immovable property and immovable property rights;
- acquiring different forms of financing;
- acquiring shareholdings and interests in companies and undertakings, in accordance with the provisions of Article 2361 of the Italian Civil Code;
- participating in consortia and business groupings.

3.4 Donnafugata's activities (brief overview)

Donnafugata cultivates grapes – grown on both its own land and leased land – and processes them for the production and marketing of quality wines.

These operations are performed at various production sites, and more specifically:

- at the farms of Marsala, Contessa Entellina, Pantelleria, Acate and Randazzo: cultivation of the vineyards and olive groves;
- at the farms of Contessa Entellina, Pantelleria, Acate and Randazzo there are also winemaking cellars;
- at the Randazzo site the winemaking process is completed right through to bottling;
- at the Acate site the Cerasuolo DOCG winemaking process is completed right through to bottling;
- at the Marsala site the wines from Contessa Entellina and Pantelleria and part of those from Acate are aged, stored and bottled.
- the processing of olives is outsourced to third-party mills for the production and packaging of extra virgin olive oil.

The packaged products are stored at the Marsala and Contessa Entellina wineries and at third-party premises. In addition to storage, the Marsala winery also performs logistics operations for the distribution of products for sale.

3.5 Company organisation chart

As at the date of approval of this updated version of the Model, Donnafugata's operations are structured as per the attached organisation chart, which identifies the Company's divisions and the persons in charge of each one. The names of the individuals responsible for each company division, to which the role of "macro-function" is assigned, are reported in the up-to-date organisation chart published on the company intranet.

The Company hires external collaborators, consultants and consultancy firms to support the administrative body, as well as its own staff. The processes for recruiting these figures are as follows:

- in the case of external collaborators (consultants and consultancy firms), this process falls within the remit of the administrative body;

- for staff, it is the responsibility of the managers of each production site and each business area or function

For each function/division shown in the organisation chart, the following information is set out below:

- a description of the activities carried out;
- the person responsible;
- the principles of conduct to be followed.

3.5.1 DPC Division

The DPC Division is responsible for

- the control and management of electronic systems
- relations with third-party companies to which – under contractual agreements – the maintenance of the Company's electronic systems, archives and databases, as well as the software in use within the Company, has been entrusted;

This macro-function is overseen by the Donnafugata DPC Division Manager.

In carrying out their duties, members of the DPC Division comply with the requirements of the Codes of Conduct set out in the following Special Sections:

A – Offences against public administration;
B – Cybercrime and unlawful processing of data;
G – Offences committed for the purpose of terrorism;
H – Offences against individuals;
L – Handling stolen goods, money laundering and the use of money, property or benefits of unlawful origin, as well as self-laundering;
M – Offences relating to copyright infringement;
P – Tax offences
R – Offences against cultural and/or landscape heritage

3.5.2 Farm Division

The Farm Division is responsible for managing the operations of the farms at the various production sites:

- Marsala
- Pantelleria
- Contessa Entellina
- Randazzo
- Acate

The activities, which are common to the various production centres, are set out below:

- Organisation and planning of business activities
- Coordination of manual and mechanical agricultural operations, which are carried out by the farm manager, including through the completion of farm records
- Selection of agricultural staff to be assigned to each production site: this task falls within the specific remit of each production site and is the responsibility of the "farm manager", who reports to the HR department
- Purchase of the consumables required to perform the assigned tasks, respecting the spending limits set by the Administrative Body in the budget
- Management of routine maintenance activities
- Preparation of the *fascicolo aziendale* (farm records)
- Preparation of applications for financial assistance and grants

- Relations with authorities and public administration

This macro-function is overseen by the Technical Director with the support of the Farm Division Manager, who works in close collaboration with the managers of the various farms.

In carrying out their duties, members of the Farm Division comply with the requirements of the Codes of Conduct set out in the following Special Sections:

A – Offences against public administration;
B – Cybercrime and unlawful processing of data;
C – Transnational offences as referred to in Law No. 146 of 16 March 2006, and offences relating to organised crime, incitement to fail to make statements or to make false statements to the judicial authorities
D – Offences relating to counterfeiting currency, securities, revenue stamps and identifying marks or tools;
E – Offences against industry and commerce
G – Offences committed for the purposes of terrorism or the subversion of democratic order;
H – Offences against individuals;
I – Offences relating to breaches of regulations on accident prevention and the protection of health and hygiene at work
L – Offences relating to handling stolen goods, money laundering and the use of money, property or benefits of unlawful origin, as well as self-laundering;
M – Offences relating to copyright infringement
N – Environmental offences
O – Employment of third-country nationals residing in the country illegally
P – Tax offences
Q – Smuggling offences
R – Offences against cultural and/or landscape heritage

3.5.3 Wineries and Production Division

The Wineries and Production Division is responsible for managing the activities carried out in the Wineries at the various production sites:

- Marsala
- Pantelleria
- Contessa Entellina
- Randazzo
- Acate

The activities, which are common to the various production centres, are set out below:

- Ensure respect for production programmes in terms of both quality and quantity, managing the winery staff
- Purchase of the consumables required to perform the assigned tasks, respecting the spending limits set by the Administrative Body in the budget
- Recruitment of winery staff
- Coordination of maintenance work, using both in-house and external staff
- Keeping of winemaking records
- Management of Technical Finance Office warehouses at the Customs and Monopolies Agency.

This macro-function is overseen by the Technical Director, who works in close collaboration with the managers of the various farms.

In carrying out their duties, members of the Wineries and Production Division comply with the requirements of the Codes of Conduct set out in the following Special Sections:
A – Offences against public administration;
B – Cybercrime and unlawful processing of data;

C – Transnational offences as referred to in Law No. 146 of 16 March 2006, and offences relating to organised crime, incitement to fail to make statements or to make false statements to the judicial authorities
D – Offences relating to counterfeiting currency, securities, revenue stamps and identifying marks or tools;
E – Offences against industry and commerce
G – Offences committed for the purposes of terrorism or the subversion of democratic order;
H – Offences against individuals;
I – Offences relating to breaches of regulations on accident prevention and the protection of health and hygiene at work
L – Offences relating to handling stolen goods, money laundering and the use of money, property or benefits of unlawful origin, as well as self-laundering;
M – Offences relating to copyright infringement
N – Environmental offences
O – Employment of third-country nationals residing in the country illegally
P – Tax offences
Q – Smuggling offences
R – Offences against cultural and/or landscape heritage

3.5.4 – Quality Control and Compliance Division

The Quality Control and Compliance Division is responsible, in particular, for the following activities:

- Management of laboratory activities
- Chemical and sensory analyses;
- Quality controls on raw materials and components, as well as on semi-finished and finished products
- Analyses relating to sewage treatment plants and environmental issues

The Quality Control and Compliance macro-function is overseen by the Technical Director, who works in collaboration with Donnafugata's Quality Control and Compliance Manager.

In carrying out their duties, members of the Quality Control and Compliance Division comply with the requirements of the Codes of Conduct set out in the following Special Sections:

A – Offences against public administration;
B – Cybercrime and unlawful processing of data;
C – Transnational offences as referred to in Law No. 146 of 16 March 2006, and offences relating to organised crime, incitement to fail to make statements or to make false statements to the judicial authorities
E – Offences against industry and commerce
G – Offences committed for the purposes of terrorism or the subversion of democratic order;
I – Offences relating to breaches of regulations on accident prevention and the protection of health and hygiene at work
L – Offences relating to handling stolen goods, money laundering and the use of money, property or benefits of unlawful origin, as well as self-laundering;
M – Offences relating to copyright infringement
N – Environmental offences

3.5.5 Quality, Safety, Accessory Procurement, Bottling Programme and Warehouse Management Division

The Quality, Safety, Accessory Procurement, Bottling Programme and Warehouse Management Division is responsible, in particular, for the following activities:

- Purchase of raw materials and consumables (e.g. raw materials such as bottles, closures, labels, muselets, etc.).
- Management and coordination of support activities for the issuing of quality certification
- Management of relations with the relevant bodies for the issuing of quality certification
- Management and planning of bottling operations

- Occupational health and safety
- Promotion of the environmental management plan in coordination with other relevant company functions;
- Management of administrative obligations and authorisation procedures relating to the specific area of operation
- Warehouse management, ensuring that company products for sale are correctly stocked at all company warehouses, whether owned by the Company or third-party.

This macro-function is overseen by the Technical Director with the support of the Head of Quality, Safety, Accessory Procurement, Bottling Programme and Warehouse Management and by the Donnafugata Warehouse Manager.

In carrying out their duties, members of the Quality, Safety, Accessory Procurement, Bottling Programme and Warehouse Management Division comply with the requirements of the Codes of Conduct set out in the following Special Sections:

A – Offences against public administration;
B – Cybercrime and unlawful processing of data;
C – Transnational offences as referred to in Law No. 146 of 16 March 2006, and offences relating to organised crime, incitement to fail to make statements or to make false statements to the judicial authorities
E – Offences against industry and commerce
G – Offences committed for the purposes of terrorism or the subversion of democratic order;
I – Offences relating to breaches of regulations on accident prevention and the protection of health and hygiene at work
L – Offences relating to handling stolen goods, money laundering and the use of money, property or benefits of unlawful origin, as well as self-laundering;
M – Offences relating to copyright infringement
N – Environmental offences
P – Tax offences

3.5.6 Marketing Division

The Marketing Division is responsible, in particular, for the following activities:

- Sponsorships
- Marketing;
- Advertising, trade fairs and exhibitions;
- Product development from a marketing perspective (labelling and packaging design);
- Corporate image management
- Website management
- Event organisation
- PR and communications, both traditional and digital
- Trademark protection and monitoring

This macro-function is overseen by the Marketing Manager and the Brand Manager of Donnafugata.

There is a specific function for the protection and monitoring of trademarks, which is overseen by the Chairman of the Board of Directors.

In carrying out their duties, members of the Marketing Division comply with the requirements of the Codes of Conduct set out in the following Special Sections:

A – Offences against public administration;
B – Cybercrime and unlawful processing of data;
C – Transnational offences as referred to in Law No. 146 of 16 March 2006, and offences relating to organised crime, incitement to fail to make statements or to make false statements to the judicial authorities

D – Offences relating to counterfeiting currency, securities, revenue stamps and identifying marks or tools;
G – Offences committed for the purposes of terrorism or the subversion of democratic order;
L – Offences relating to handling stolen goods, money laundering and the use of money, property or benefits of unlawful origin, as well as self-laundering;
M – Offences relating to copyright infringement
P – Tax offences

3.5.7 Wine Tourism Division

The Wine Tourism Division is responsible, in particular, for the following activities:

- welcoming visitors, both individuals and groups, at the Company's various sites;
- farm tours with tastings of the Company's products paired with local specialities.

This macro-function is overseen by **one of the directors** of the Donnafugata **Board of Directors**.

In carrying out their duties, members of the Wine Tourism Division comply with the requirements of the Codes of Conduct set out in the following Special Sections:

A – Offences against public administration;
B – Cybercrime and unlawful processing of data;
D – Offences relating to counterfeiting currency, securities, revenue stamps and identifying marks or tools;
G – Offences committed for the purposes of terrorism or the subversion of democratic order;
I – Offences relating to breaches of regulations on accident prevention and the protection of health and hygiene at work
L – Offences relating to handling stolen goods, money laundering and the use of money, property or benefits of unlawful origin, as well as self-laundering;
M – Offences relating to copyright infringement
O – Employment of third-country nationals residing in the country illegally
Q – Smuggling offences
R – Offences against cultural and/or landscape heritage

3.5.8 Italian and International Sales and Logistics Division

The Sales and Logistics Division is responsible, in particular, for the following activities:
- management of sales contracts and the various sales channels;
- management of the supply, distribution and shipping of products;
- management and suspension of the shipping of goods in the event of non-payment via system-level blocks, etc.;
- sales promotion management;
- order management, logistics and sales back office;
- storage / warehouse management of finished products;
- definition of credit limits for customers in collaboration with the administration department;
- definition of payment terms;
- monitoring of compliance with payment terms through collaboration between the sales and finance departments;
- management of trade marketing activities;
- keeping of marketing records required by wine legislation in force;
- management of excise duties relating to the marketing of alcoholic beverages.

This macro-function is overseen by the Sales Director for Italy and two Export Managers for overseas markets
In carrying out their duties, members of the Sales and Logistics Division comply with the requirements of the Codes of Conduct set out in the following Special Sections:

A – Offences against public administration;
B – Cybercrime and unlawful processing of data;

C – Transnational offences as referred to in Law No. 146 of 16 March 2006, and offences relating to organised crime, incitement to fail to make statements or to make false statements to the judicial authorities
D – Offences relating to counterfeiting currency, securities, revenue stamps and identifying marks or tools;
E – Offences against industry and commerce
F – Corporate offences and market abuse
G – Offences committed for the purposes of terrorism or the subversion of democratic order;
I – Offences relating to breaches of regulations on accident prevention and the protection of health and hygiene at work
L – Offences relating to handling stolen goods, money laundering and the use of money, property or benefits of unlawful origin, as well as self-laundering;
M – Offences relating to copyright infringement
P – Tax offences

3.5.9 Admin, Finance, Management Control and HR Division

The Admin, Finance, Management Control and HR Division is responsible, in particular, for the following activities:

- administration: management of general ledger accounts, accounts receivable and accounts payable, preparation of financial statements, monthly statements, and control reports;
- secretarial and general services: operational support for the admin department (dealing with banks, post office and external firms), payment of staff travel allowances, etc.;
- credit management (credit monitoring and debt recovery)
- management of administrative requirements relating to staff classification and recruitment processes in other divisions, the selection of whom is carried out in collaboration with the managers of the relevant departments;
- management of administrative matters and compliance with social security and tax obligations in relation to employees, and relations with the Company's employment consultant;
- management of tax compliance matters, including those relating to the annual accounts, and relations with the Company's tax advisers;
- management of administrative matters and compliance with social security and tax obligations relating to the sales force and agents;
- definition of agency agreements with agents.

The Admin, Finance, Management Control and HR macro-function is overseen by Donnafugata's Administration Director.

In carrying out their duties, members of the Admin, Finance and Management Control Division comply with the requirements of the Codes of Conduct set out in the following Special Sections:

A – Offences against public administration;
B – Cybercrime and unlawful processing of data;
C – Transnational offences as referred to in Law No. 146 of 16 March 2006, and offences relating to organised crime, incitement to fail to make statements or to make false statements to the judicial authorities
D – Offences relating to counterfeiting currency, securities, revenue stamps and identifying marks or tools;
F – Corporate offences and market abuse
G – Offences committed for the purposes of terrorism or the subversion of democratic order;
H – Offences against individuals;
I – Offences relating to breaches of regulations on accident prevention and the protection of health and hygiene at work
L – Offences relating to handling stolen goods, money laundering and the use of money, property or benefits of unlawful origin, as well as self-laundering;
M – Offences relating to copyright infringement
O – Employment of third-country nationals residing in the country illegally
P – Tax offences

3.6 Services provided by third-party companies

At the time of the adoption of this Model, Donnafugata has agreements in place with third-party companies for the support or performance of certain business functions.
Under the terms of the aforementioned service agreements, some functions at Donnafugata are supported by or outsourced to the employees and/or workers of those companies.

In carrying out the aforementioned activities and duties, staff and contractors of external companies are required to comply with the Donnafugata Model and, in particular, with the requirements set out in the Codes of Conduct described in the following Special Sections:
A – Offences against public administration;
B – Cybercrime and unlawful processing of data;
C – Transnational offences as referred to in Law No. 146 of 16 March 2006, and offences relating to organised crime, incitement to fail to make statements or to make false statements to the judicial authorities
F – Corporate offences and market abuse
I – Offences relating to breaches of regulations on accident prevention and the protection of health and hygiene at work
L – Offences relating to handling stolen goods, money laundering and the use of money, property or benefits of unlawful origin, as well as self-laundering;
M – Offences relating to copyright infringement
N – Environmental offences
O – Employment of third-country nationals residing in the country illegally
P – Tax offences
Q – Smuggling offences
R – Offences against cultural and/or landscape heritage

3.7 Corporate governance: management bodies, delegated powers and powers of attorney

Donnafugata's management body is a Board of Directors comprising four directors which has the broadest powers for the day-to-day and extraordinary management of the Company, as provided for in the Articles of Association and by the resolutions of the shareholders' meeting.

The Board of Directors may delegate its powers to one or more chief executive officers, whilst at the same time defining their duties, powers and responsibilities. The Board of Directors may also appoint executives and/or general managers, defining their duties, powers, responsibilities and remuneration, as well as appoint and remove legal representatives for individual acts or categories of acts. The relevant authorisation must be granted to the latter by means of a notarised special power of attorney.

The Company also has an Audit Committee, which is responsible for auditing the accounts.

3.8 Organisation charts and amendments to the Model

The Company reserves the right to amend and supplement its organisation charts and the allocation of responsibilities and functions amongst its divisions in accordance with its organisational and management requirements.
Any amendments to one or more organisation charts referred to in this Model, approved at a date subsequent to its adoption, shall be set out in specific explanatory documents which, when annexed to this Model, shall form an integral part thereof and shall take precedence over any earlier organisation charts.
In the event of organisational changes relevant to this Model, the Company – also taking into account any guidance from the Supervisory Board – shall amend the Model accordingly in order to ensure its functional consistency, as well as its suitability and effectiveness in preventing criminal offences.

3.9 Statutory audit

Donnafugata is subject to a statutory audit carried out by a sole auditor listed on the Register of Statutory Auditors.

3.10 Quality and process certification

Donnafugata has acquired the following certification:
- UNI EN ISO 9001
- UNI EN ISO 14001
- EMAS;
- ISO 22000;
- ISO 50001
- SOSTAIN - VIVA
- SQNPI

4) IMPACT OF THE ORGANISATIONAL MODEL ON DONNAFUGATA'S GOVERNANCE RULES

Donnafugata recognises the value that can be generated by an internal control system designed to prevent its employees and corporate bodies from committing offences. Within the scope of activities carried out on behalf of Donnafugata, consultants, agents, partners and service providers are also required to conduct themselves in such a way as to avoid any risk of committing offences as defined in the Model.

The principles set out in this Model must, on the one hand, ensure that any potential offender is fully aware of the consequences of committing an offence (the commission of which is strongly condemned and contrary to Donnafugata's interests, even where the Company might appear to benefit from it); on the other hand, through the constant monitoring of activities, they must enable Donnafugata to prevent or to take prompt action to prevent the offence from being committed.
As such, the purpose of the Model is to establish a structured and systematic prevention, deterrence and control system aimed at reducing the risk of offences being committed by identifying Sensitive Activities.

5) DEVELOPMENT OF THE MODEL BASED ON DONNAFUGATA'S CORPORATE STRUCTURE

In order to prepare this Model, Donnafugata carried out a series of preliminary activities divided into different phases and aimed at establishing a risk prevention and management system in line with the provisions of the Decree.
The first step was the identification of Sensitive Activities. This investigation involved reviewing company documentation (organisation chart, activities carried out, key processes, minutes of board meetings, organisational provisions, delegations and powers of attorney granted by the board of directors and/or the chief executive officer, etc.) and a series of interviews with the key parties and managers of the various departments within the Company.
As a result of this analysis, it was possible to identify, within the company structure, a number of Sensitive Activities in the course of which it is theoretically possible to envisage the risk of unlawful conduct, including offences relevant for the purposes of the Decree.
Following this investigation phase, a review was carried out on the procedures for managing Sensitive Activities, the control system for governing them (existing procedures, segregation of duties, traceability of controls), as well as the compliance of this system with generally accepted internal control principles (e.g. verifiability and traceability).
In addition, a review of the Company's past activities was carried out with a view to identifying any areas of risk and their underlying causes. The aim of this final phase was to analyse the company environment in order to identify in which area or sector of activity offences could be committed and how.

6) SENSITIVE ACTIVITIES AT DONNAFUGATA

Based on the findings of the business context analysis carried out on Donnafugata, the Company's Sensitive Activities currently relate to:

- the purchase of wine and other materials (bottles, closures, labels, muselets);
- the storage and bottling of wines and sparkling wines;
- activities relating to the process of winemaking right through to distribution;
- wastewater management;
- waste disposal;
- logistics activities relating to the distribution and marketing of wines and sparkling wines;
- relations with public authorities, conservation consortia, third-party certification bodies and/or supervisory bodies authorised by the Ministry of Agricultural, Food and Forestry Policies (hereinafter "MIPAAF");
- relations with members of the so-called "Anti-Adulteration and Health Units" (hereinafter 'NAS');
- relations with other public bodies, public officials and entities – including from the private sector – that perform public service functions in relation to the production, marketing and advertising of wines, sparkling wines and food products in general;
- participation in monitoring and inspection activities carried out by public authorities, conservation consortia, third-party certification bodies and/or supervisory bodies authorised by MIPAAF;
- quality controls;
- the processing of the information reported on the labels of wines and sparkling wines, and the verification of its accuracy;
- the use of trademarks, distinctive signs and designations of origin;
- the collection of cash payments from customers;
- screening and recruitment of staff;
- sponsorship activities;
- advertising activities;
- grants, loans and funds allocated by public bodies.

7) RELEVANT PREDICATE OFFENCES

On the basis of the Sensitive Activities identified above, the predicate offences relevant to the Company for the purposes of the Decree are as follows:

- offences relating to dealings with public administration;
- fraud offences;
- embezzlement offences;
- cyber fraud offences;
- cybercrime and unlawful processing of data;
- transnational offences as referred to in Law No. 146 of 16 March 2006;
- organised crime offences;
- the offence of incitement to fail to make statements or to make false statements to the judicial authorities;
- offences relating to counterfeiting currency, securities, revenue stamps and identifying marks or tools;
- offences against industry and commerce, and the liability of legal entities for administrative offences arising from criminal offences pursuant to Article 12 of Law No. 9/2013 [These constitute predicate offences for legal entities that operate within the virgin olive oil supply chain];
- corporate offences;
- offences committed for the purposes of terrorism;
- offences against individuals;
- manslaughter and grievous or actual bodily harm, committed in breach of regulations on the prevention of industrial accidents and occupational health and safety;
- handling stolen goods, money laundering and the use of money, property or benefits of unlawful origin, as well as self-laundering;
- offences relating to non-cash payment instruments;

- offences relating to copyright infringement;
- environmental offences;
- employment of third-country nationals residing in the country illegally;
- tax offences;
- offences against cultural and/or landscape heritage;

A detailed analysis of the offences is set out in the Special Sections of this Model.
The Supervisory Board has the power to identify any other high-risk activities which – depending on legislative developments or the Company's activities – may be included within the category of Sensitive Activities.

8) SUPERVISORY BOARD

8.1 Identification of the internal control body

In accordance with the provisions of the Decree, the task of monitoring the operation and observance of the models, as well as ensuring they are kept up to date, must be entrusted – so that the organisation may be held exempt from liability – to a body with independent powers, initiative and oversight.

In view of the specific nature of the duties entrusted to this body, known as the "Supervisory Board", the relevant appointment is made by resolution of the Board of Directors, upon the proposal of the Chairman and/or the Chief Executive Officer.

In order to ensure the continuity of its activities, the duration, composition, functioning and procedures for carrying out the duties of the Supervisory Board are governed by specific regulations approved by a resolution of the Board of Directors.

In carrying out its duties, the Supervisory Board maintains constant contact with the Board of Directors or with one of its members. In order to exercise its functions, the Supervisory Board has full financial autonomy. The management, use and allocation of the resources granted are then decided on by the Supervisory Board in a completely autonomous and independent manner.
In carrying out its supervisory and monitoring duties, the Supervisory Board may call upon other internal and external functions as and when necessary for this purpose.

8.2 Functions and powers of the Supervisory Board

In general, the Donnafugata Supervisory Board is responsible for overseeing:

- compliance with the provisions of the Model by directors, executives, employees, consultants and partners;
- the effectiveness and adequacy of the Model, in relation to the Company's structure, in preventing the commission of criminal offences and safeguarding the Company;
- the need for the Model to be updated by the Board of Directors should this be deemed necessary in light of changes to the relevant legislation or the Company's circumstances.

To this end, at a more operational level, the Donnafugata Supervisory Board is entrusted with the following tasks:

- implementing the control procedures set out in this Model;
- reviewing the Company's activities in order to update the mapping of "at-risk processes", particularly when new activities – and, consequently, new business processes – are introduced;
- carrying out periodic targeted checks on certain operations or specific actions undertaken within areas of activity deemed to be at risk;
- promoting appropriate initiatives to raise awareness and understanding of the Model and preparing the necessary internal documentation to ensure the effective functioning of the Model itself, including user guides, explanations or updates to the Model.

- ensuring that the section on the Company intranet and website containing all the information on the Decree and the Model is updated on an ongoing basis;
- collecting, processing and retaining the information communicated to it regarding compliance with the Model or any anomalies or irregularities identified in the information received in the course of carrying out its duties;
- liaising with other company functions to ensure the most effective monitoring of business activities in high-risk areas. To this end, the Supervisory Board is kept constantly informed of developments in the areas at risk of the offences referred to in the Decree and has unrestricted access to all company documentation it deems relevant. The administrative body must also inform the Supervisory Board of any situations arising from the Company's activities that could realistically expose the Company to the risk of a criminal offence;
- verifying the existence, correct maintenance and effectiveness of the documentation required in accordance with the provisions of the individual Special Sections of the Model for the various types of offence; in particular, the most significant activities and operations covered by the Special Sections must be reported to the Supervisory Board, and data and documentation must be made available to enable the checks to be carried out;
- constantly verifying that the Model complies with regulatory requirements and, in collaboration with the relevant company functions, assessing the Model's suitability and updating requirements;
- investigating alleged breaches of the provisions of this Model;
- highlighting the shortcomings of the Model;
- coordinating with the heads of the relevant company functions on the various aspects relating to the implementation of the Model;
- coordinating with the company management to assess whether any disciplinary measures should be taken.

With regard to the Supervisory Board's code of conduct, the body must exercise the utmost discretion and confidentiality in the course of its work with the corporate and company bodies specified in this Model acting as its main points of contact.

8.3 Reporting to the corporate bodies

Each year, the Supervisory Board submits the following to Donnafugata's Board of Directors and Audit Committee:
- the work plan for the coming year, which may be the subject of a specific resolution;
- the final report on the activities carried out over the past year, explaining any discrepancies from the initial plan and highlighting any critical issues that have arisen, both in terms of conduct or events within Donnafugata and in terms of the effectiveness of the Model.

With regard to the critical issues that have come to light, the Supervisory Board presents the Board of Directors with the corrective measures it deems appropriate in order to make the Model more effective. Minutes must be taken of the meetings, and copies of the minutes must be kept by the Supervisory Board and the relevant corporate bodies.

The members of the Board of Directors may convene the Supervisory Board at any time; in turn, the Supervisory Board may request that the Company's governing bodies be convened.

8.4 Reports to the Supervisory Board (whistleblowing)

The administrative body must inform the Supervisory Board of any aspects of the Company's activities that could expose the Company to the risk of committing one of the predicate offences set out in the Decree.
The Supervisory Board must also be informed, through specific reports from directors, executives, employees, consultants and partners, of any events that could expose Donnafugata to liability with regard to the offences set out in the aforementioned Decree.

In particular, reports must be collected concerning the commission or the reasonable belief of the commission of the offences set out in the decree in question, or, in any event, conduct that is not in line with the rules of conduct set out in this Model.

Whilst the Supervisory Board is free, in the course of its supervisory activities, to specify additional documentation which must be brought to its attention on a periodic basis, the following must in any event be submitted to the Supervisory Board:

- measures and/or information from judicial police bodies or any other authority, indicating that investigations are being carried out – including against persons unknown – in relation to the offences set out in the Decree and concerning the Company;
- requests for legal assistance made by individuals within Donnafugata, in the event of legal proceedings being brought for any of the offences set out in the Decree;
- reports drawn up by company departments as part of their monitoring activities which highlight areas of concern in relation to the provisions of the Decree;
- on a periodic basis, reports on the effective implementation of the Model across all at-risk areas and functions of the Company;
- on a periodic basis, reports on compliance with the Code of Ethics at all levels of the organisation;
- information on the performance of activities relating to areas at risk;
- any changes to the system of delegations and powers of attorney adopted by Donnafugata at the time of the last update to the Model;
- any reports detailing evidence or the suspicion of relevant unlawful conduct pursuant to the Model, or direct breaches of the Model or the Decree (for further details on this matter please refer to the section of this Model on whistleblowing);

When carrying out its functions, the Supervisory Board must have unrestricted access to individuals and to all company documentation, including the minutes of meetings of the Board of Directors and the Board of Statutory Auditors; it must be able to request, and obtain in a timely manner, data and information from company departments, as well as from managers and executives.

Providing the Supervisory Board with accurate information is essential to ensure the proper implementation of the Model and the effective oversight of the Supervisory Board.

To this end, information can be communicated in two main ways:

(1) through the appropriate structuring of information flows to the Supervisory Board, as illustrated in Annex VI, “Information flows to the Supervisory Board”;
(2) through whistleblowing, the procedure for which is set out in Annex VII, “Whistleblowing”.

Information flows and whistleblowing are the Supervisory Board’s main tools for monitoring the effectiveness of the Model and for ascertaining, after the event, the causes that made it possible for any offences to be committed;

The aforementioned information flows must serve both to report suspected cases of criminal offences and to provide the Supervisory Board with adequate and timely information regarding the control activities carried out by Donnafugata. Information must therefore be submitted to the Supervisory Board in accordance with the procedures and intervals set out in the procedure defined in Annex VI.

The Supervisory Board is also responsible for managing whistleblowing reports, in accordance with the procedure set out in Annex VII.

The Supervisory Board has a dedicated database, either electronic and/or paper-based, in which every report, piece of information and notification pursuant to this document is retained for a period of at least 10 years, subject to compliance with any shorter period, not exceeding five years, as provided for by the regulations governing whistleblowing

This is without prejudice to compliance with provisions governing the security and confidentiality of personal data and the rights thereby guaranteed to data subjects. Access to the database is restricted to the Supervisory Board only.

8.5 Support for the Judicial Authority

Should the Supervisory Board discover that directors, employees or workers of Donnafugata, or other parties to whom the Model applies, have committed criminal offences, it shall notify those members of the Board of Directors who are not involved in the criminal conduct that is the subject of the report. The Supervisory Board will also undertake to offer its support to the judicial authorities, providing any information and reports of offences which come to its knowledge.

9) DISSEMINATION AND AWARENESS OF THE MODEL

9.1 General principles governing the recruitment and training of Donnafugata staff

The recruitment, training and ongoing briefing of staff and all those to whom the Model applies, even indirectly, is essential for the effective and correct implementation of the control and prevention system established by the Model.
All individuals that operate within the Company, including external parties that perform Sensitive Activities in the name of, on behalf of or in the interests of Donnafugata, must be provided with the appropriate tools to ensure they have full and effective knowledge of the objectives of legality, integrity and transparency that underpin Donnafugata's activities, as well as the tools put in place to achieve them.

9.2 Staff recruitment

The recruitment of staff must be guided by the principles of fairness, impartiality, objectivity and transparency, and must comply with criteria and procedures that ensure the selection of individuals who meet the requirements of professionalism, competence, integrity and reliability, thereby guaranteeing the achievement of the objectives set out in this Model.
The company functions responsible for staff recruitment and management must identify and apply appropriate criteria based on merit and purely professional competence, as well as objective criteria for assessing personal reliability and integrity.
In the subsequent phase of HR management, the Company must promote the creation and development of a corporate culture that recognises the importance of the values of legality, integrity, competence, professionalism and transparency, as well as training and the dissemination of this Model, in accordance with the procedures set out in section 9.4 below.
Without prejudice to the above, the screening and recruitment of Donnafugata staff must be carried out in accordance with the following rules:

- candidates must undergo an assessment interview;
- candidate assessments will be recorded in specific files, which will be securely archived;
- should the candidate be hired, if their remuneration exceeds the budget established for the profile in question, adequate justification must be provided for the remuneration package offered to the candidate;
- when assessing candidates, consideration will be given, where appropriate, to whether there are any circumstances that might compromise their impartiality in the performance of their duties (such as, for example, any direct relationships with institutional bodies, public bodies and/or individuals that hold public service roles of significance in relation to Donnafugata's activities);
- in managing relations with Donnafugata staff, incentive schemes and pay rises for employees and workers must be based on realistic objectives that are consistent with the duties and responsibilities assigned to them;
- where the candidate is a foreign national from a third country, they must, on being hired, provide a copy of a valid residence permit (subject to the provisions set out in this Model, Special Section O, in such cases).

9.3 Selection of external collaborators

The selection and management of external collaborators, such as, for example, suppliers, representatives, agents, partners and consultants, must be based on objective and transparent criteria, and must exclude parties who do not provide adequate guarantees of fairness, professionalism, integrity and reliability.
To this end, both for existing relationships and for new stakeholders, all information necessary for the proper understanding and observance of the Code of Ethics, this Model and the codes of conduct drawn up in relation to at-risk activities must be provided.
All external partners are required to comply with the principles set out in this Model, in the Code of Ethics and, in any event, with generally recognised principles of good corporate governance. Where applicable, external partners are required to strictly comply with their own management and control systems relating to the company's activities.
Where possible, the heads of the relevant Divisions shall endeavour to secure a commitment from external partners to comply with the Code of Ethics, this Model and the codes of conduct drawn up in relation to high-risk activities, asking them to sign a form or declaration of acknowledgement and acceptance (or a contractual clause) regarding the relevant sections and associated penalties. In particular, where possible, the contractual relationship with external collaborators shall include appropriate clauses enabling the Company to terminate the contract in the event of conduct that does not comply with the provisions and spirit of the Model.
The management body, upon a proposal from the Supervisory Board, may establish specific assessment systems for the selection of both external partners and collaborators who have a relationship of interest with Donnafugata or who cooperate with the Company in any capacity in the performance of high-risk activities.
The company functions that make use of external collaborators, and which are responsible for the process to which the activities of said collaborations relate, must monitor these and record all relevant data and information for understanding and assessing the conduct of external collaborators, where necessary making this information available to the Supervisory Board to enable it to perform its control activities

9.4 Staff training and dissemination of the Model
In accordance with the provisions set out in the Decree, the Company has drawn up a communication and training plan aimed at disseminating and explaining the Organisational Model and the Code of Ethics.
In particular, for the purposes of the Decree, training for those who work within the organisation will be structured as follows:

senior management and staff with representative functions within the organisation: initial general classroom-based training will be provided, followed by specific training for new recruits and periodic refresher training in the event of significant amendments to the Model, and, in particular, should the legislator introduce additional predicate offences.

The Supervisory Board shall be responsible for verifying:
- the quality of the courses;
- the frequency of updates;
- the active participation of staff in the courses.

Training courses must include:
- an introduction to the relevant legislation and Confindustria's guidelines;
- an in-depth analysis of the principles set out in the Code of Ethics and the General Section of the Model;
- a description of the role played by the Supervisory Board;
- a description of the penalty system.

non-managerial staff involved in Sensitive Activities: a training course will be organised with content similar in nature and scope to that described above. The Supervisory Board shall be responsible for verifying the suitability of the training course and ensuring that it is actually taken, including by new recruits or in the event of a change in organisational position that requires the attendance of the course;

non-managerial staff not involved in Sensitive Activities: an internal information note will be distributed to all current employees and to those who are recruited in future. The Supervisory Board shall be responsible for verifying the adequacy of the information note and ensuring that it has been effectively communicated.

To facilitate their dissemination, the Model and the Code of Ethics will be published on the company website with staff duly informed of this publication.

9.5 Information for external collaborators and partners
External collaborators and business partners will also be informed of the contents of the Model, and may receive a copy of it, also pursuant to the provisions of any contractual clauses requiring compliance with the Model.

10) GENERAL PRINCIPLES AND COMMON RULES

All Recipients of this Model, however they are involved in the activities described below, must comply with the principles and general rules set out in the following paragraphs of the General Section of the Model when performing their functions within the organisation.

10.1 General principles governing the delegation of powers
The system of delegated powers must be based on the principle of dual control with regard to all operations that go beyond the scope of ordinary administration and/or exceed certain thresholds, which are determined according to the level of responsibility of each delegate or special attorney.
The system of delegated powers must be underpinned by the following principles:
a) every delegation of power must clearly and precisely define the powers of the delegate and the person hierarchically superior to the delegate;

b) delegations of power must link each power with the corresponding responsibility and with an appropriate position within the organisation chart, and must be amended and updated in the event of changes within the organisation;

c) the delegate's spending power must be commensurate with the role entrusted to them.

10.2 General principles governing the offering of gifts
Permitted gifts are always characterised by their low value (meaning a value of €250 or less per gift) and one-off nature.
In their dealings with contractual partners or private third parties, company representatives are forbidden from:
making cash payments of any amount, or promising or offering them (or their relatives, in-laws or related parties) money, gifts or other benefits of monetary value where such promises or offers of money or gifts are intended for purposes of corruption or otherwise unlawful;
accepting gifts or other benefits of monetary value, where these are intended for purposes of corruption or otherwise unlawful purposes.

10.2.1 Additional rules on gifts
The recipients of this Model, each in accordance with the activities they carry out, must comply with the provisions set out in the following paragraphs:
- 3.1.1. of Special Section A [Gifts];
- 2.3.1 of Special Section F [Preventive measures against the offence of corruption between private individuals]
- 4.11 of the Code of Ethics [Gifts]

10.3 Rules applicable to all types of purchases and payments
All purchases must comply with the company procedures already in place and be authorised in advance by the heads of each relevant function, which must have the necessary purchasing and spending powers and operate within the allocated budgets.
Relative payments must be authorised in accordance with company policies.

10.3.1 Rules applicable to all payments
All payments made in the name and on behalf of the Company must be made using credit instruments, bank transfers, deposits and other payment methods via banking channels that ensure they can be fully and consistently traced. Cash payments are permitted subject to the provisions of paragraph 10.3.2 below.

The Company has adopted and constantly updates an accounting system for recording all payments made and received in the course of its activities, enabling it to identify, track and archive financial flows between the Company and all its creditors and debtors.
No payment may be made to parties (natural or legal persons, sole traders or organisations of any kind and nationality) who have not been previously identified by means of the registration of their details in a register maintained by the Company.
When opening accounts for different clients, all details and addresses must be verified and, in the case of credit limits exceeding € 5000, appropriate checks must also be carried out with the Chamber of Commerce and suitable insurance cover obtained.
All payments must be authorised in advance by the head of the Company division in relation to whose activities the payment is made, in accordance with the following procedure:

A) the purchase order is first entered into the management system by staff in the various divisions and authorised, again via the management system procedure, by the manager responsible for approving the expenditure;

B) the administration department, which receives the electronic invoice via the Revenue Agency's Electronic Invoicing System (*Sistema di Interscambio* - SDI), checks and verifies that it corresponds to the relevant order, records it in the accounts, noting the payment due date, and registers and files it. Should it identify a problem in the authorisation process – such as a discrepancy between the amount shown on the invoice and the amount for which payment is requested, or, indeed, between the issuer of the invoice and the payee - it must record the invoice in the accounts and block the corresponding payment before seeking the necessary explanations;

C) should it fail to receive instructions, or receive conflicting instructions, it must inform the Head of the Administration, Finance and Control Division and seek guidance;

D) the duly recorded invoice is submitted to the treasury department, which checks the authorisation process and proceeds with payment, up to the authorised amount;

E) should no instructions or inconsistent instructions be received, the person authorised to make the payment shall be required to notify the Supervisory Board.

This is without prejudice to the provisions set out in paragraphs 3.1.5 (Payments), 3.1.6 (Cash payments), 3.1.7 (Rules common to all payments) of Special Section A of this Model, the requirements set out in the code of conduct relating to the "Payment of Supplier Invoices" contained in the aforementioned Special Section A, and all provisions contained in the internal procedures relating to cash payments, insofar as they are compatible with the requirements of the Model and with all applicable legislation.

10.3.2 Cash payments

Cash payments are permitted only in relation to:
- small amounts for purchases made directly by Company staff to cover minor expenses;
- small amounts relating to services provided to the Company;
- the payment of reimbursements relating to staff travel expenses (for those not paid by bank transfer);
- any advances paid to employees for forthcoming business trips;
- payments by post office payment slips where necessary.

The cashiers are:

1) the general cashier is managed at Marsala;

2) store cash registers are managed at Contessa Entellina, Pantelleria, Acate and Randazzo.
In order to make a purchase that involves payment in cash, the purchase must be authorised by the relevant line manager.

For any advance payments made to employees prior to a business trip, a handover note is drawn up detailing the amount, which the employee must sign to acknowledge receipt.
Cash balances are continuously monitored:
- for the Marsala general cashier, the balance must never exceed €15,000;
- for the cash registers at Contessa Entellina, Pantelleria, Acate and Randazzo, the amount of cash on hand must not exceed approximately €5000.
Cash takings are deposited in the bank as soon as possible and, in any event, when the balance approaches the maximum limit.

Without prejudice to the above, cash payments may never exceed the maximum limit laid down by the statutory provisions in force at the time and applicable to the use of cash in transactions.

10.4 General principles for the management of financial resources

All transactions involving the use or deployment of economic or financial resources:

1. must always be accompanied by a specific explanation;
2. must be properly documented and recorded in accordance with the principles of sound accounting practice.

When managing Donnafugata's financial resources, the spending limits resulting from the authorisations granted by the Company's management body and the allocations set out in the budget must be observed.
The use of financial resources must always be justified by the applicant, who shall certify their appropriateness at the time of the application.
The Company deals exclusively with credit institutions that are subject to transparency and fairness regulations in accordance with European Union legislation.
The Company has a management system through which all purchases, sales and the management of day-to-day financial resources are managed, tracked and recorded.
The use of financial resources in connection with extraordinary transactions must always be authorised by a chief executive officer or special attorney with the necessary spending powers, after consulting the head of the function concerned by the transaction.
This is without prejudice to the provisions set out in Annex A, point 6 (Management of financial resources) contained in Special Section A.

10.5 General principles governing the reimbursement of employee expenses

All Donnafugata employees and collaborators who claim reimbursement for expenses incurred in connection with company business must comply with the company guidelines.
Non-compliant expense claims will not be reimbursed and returned for correction.

10.6 General principles governing relations with suppliers

Donnafugata division managers who deal with the Company's suppliers are required to assess and verify, each within their respective areas of responsibility:

- the competitiveness of the goods and services purchased and/or the prices paid by the Company in relation to market conditions;
- the ability of suppliers to fulfil their obligations and comply with professional standards;
- Donnafugata's interest in purchasing the goods and services to be supplied.

10.7 Controls

Any person who, in the course of their duties, becomes aware of a breach of the principles and rules set out above, or who becomes aware of or has reasonable grounds to suspect the commission of relevant activities or acts indicative of the risk of one or more offences covered by Legislative Decree No. 231/2001 being committed, is required to promptly inform the Supervisory Board, which will take the necessary steps, in accordance with the provisions governing information flows to the Supervisory Board set out in Annex VI and the Whistleblowing Procedure set out in Annex VII to this Model.

11) DISCIPLINARY SYSTEM

11.1 The purpose of the disciplinary system

The establishment of an appropriate penalty system is an essential requirement of the Model for the purposes of exempting the Company from liability.
The imposition of disciplinary sanctions is not affected by the outcome of any criminal proceedings initiated by the judicial authorities in the event the conduct constitutes an offence under the aforementioned Decree, as the rules laid down by the Model are adopted by the Company entirely independently, regardless of any offence that such conduct may give rise to, and will be imposed by the relevant company functions, including on the recommendation of the Supervisory Board.

11.2 Penalties against employees

Any conduct on the part of employees that breaches any of the rules set out in this Model is defined as a "disciplinary offence".
The disciplinary measures that may be imposed on said employees – in accordance with the procedures laid down in Article 7 of Law 300/70 (Workers' Charter) and, therefore, following an assessment and formal notification of the allegations and a subsequent assessment of the justifications put forward by the employee concerned – are those provided for in the disciplinary framework set out in the current National Collective Labour Agreements applied by the Company.
Compliance with the provisions of this Model forms an integral part of the employee's general obligation to comply with company regulations and to act in accordance with the Company's interests, as specifically set out in the "Employee Duties" chapter of the respective National Collective Labour Agreements.
Punishable conduct that constitutes a breach of this Model and which may be subject to disciplinary action, to be assessed and sanctioned in accordance with the provisions of the National Collective Labour Agreement applied by the Company, includes, by way of example and without limitation, subject to the cases provided for under collective bargaining agreements:

- breaches of internal procedures set out in this Model (e.g. failure to comply with prescribed procedures, failure to report prescribed information to the Supervisory Board, failure to carry out controls) or, whilst carrying out activities related to "high-risk processes", engaging in conduct that does not comply with the requirements of the Model and which exposes the Company to an objective risk of committing one of the offences referred to in the Decree;
- breaches, within the context of whistleblowing procedures, of the measures designed to protect the whistleblower; or the filing, with fraudulent intention or gross negligence, of reports that prove to be unfounded (in this regard, please refer to the specific provisions set out in Annex VII – Whistleblowing Procedure);
- engaging, whilst carrying out activities related to "high-risk processes", in conduct that clearly breaches the provisions of the Model and is unequivocally aimed at committing one or more offences;
- engaging, whilst carrying out activities related to "high-risk processes", in conduct that does not comply with the requirements of the Model, resulting in the imposition of the penalties provided for in the Decree on the Company.

The penalties provided for in the National Collective Labour Agreement applied by the Company and any claims for damages may be determined, in accordance with the principle of proportionality between the conduct and its seriousness from a disciplinary perspective, on the basis of:

- the seriousness of the overall conduct of the worker, with particular regard to any previous disciplinary measures taken against them, within the limits permitted by law;
- the employee's level of responsibility and autonomy, and their role;
- the intentional nature of the conduct or the degree of negligence, carelessness or incompetence, as well as the seriousness of the conduct in relation to the foreseeability of the event;
- any specific circumstances in which the conduct in breach of this Model occurred.

Applicable penalties will be determined in light of the seriousness of the conduct attributable to the worker, in accordance with Article 47 of the aforementioned National Collective Labour Agreement.
The disciplinary system is subject to ongoing monitoring and assessment by the Supervisory Board.

11.3 Measures relating to external collaborators and partners

The breach of this Model by external collaborators and partners in the event of conduct that gives rise to the risk of committing an offence punishable under the Decree shall result in the termination of the contractual relationship in accordance with the specific contractual clauses included in the letters of engagement or in the agreements concluded on a case-by-case basis.
This is without prejudice to any claim for compensation should such conduct result in actual damage to the Company, such as where a court applies the measures provided for in the Decree.

11.4 Measures relating to members of the Board of Directors and persons authorised to act on their behalf

With regard to those entrusted with management powers and powers of representation on behalf of the Company, Donnafugata considers that, by virtue of the utmost trust placed in them, the forms of oversight already expressly provided for under current legislation remain valid, as do the remedies for any breaches for which they may be held responsible.
In any event, the Supervisory Board retains the power to liaise with the bodies authorised by law to carry out supervisory activities and the right to request verification of the elements required by law, for the purposes of bringing any liability proceedings and/or proceedings for dismissal for just cause.
Donnafugata takes a very strict view of any breaches of this Model, whether committed by those at the highest level of the Company or by those who represent it – including in terms of its image – in their dealings with employees, shareholders, creditors and third parties in general. The development and consolidation of a company code of ethics based on the values of legality, integrity, professionalism and transparency cannot be achieved unless these values are embraced and put into practice, first and foremost, by senior management, who must set an example and inspire all those who work for and/or with the Company.
The Supervisory Board shall notify the Board of Directors of any breach of the Organisational Model committed by one or more members of the Board of Directors or by a proxy authorised to act on their behalf. The Board of Directors – with the member subject to the sanction abstaining – shall carry out the necessary investigations and, once these have been completed, shall inform the Shareholders' Meeting so that it may take any measures as a consequence.