



ORGANIZATION, MANAGEMENT
AND CONTROL MODEL

GENERAL PART

APPROVED BY THE BOARD OF DIRECTORS ON
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ORGANIZATION, MANAGEMENT AND CONTROL MODEL

ex D. Lgs. 231/01

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1. LEGISLATIVE DECREE 8 JUNE 2001, NO. 231, CONCERNING THE ADMINISTRATIVE LIABILITY OF LEGAL ENTITIES, COMPANIES AND ASSOCIATIONS, INCLUDING THOSE WITHOUT LEGAL PERSONALITY

1.1 CORPORATE ADMINISTRATIVE LIABILITY

Legislative Decree 8 June 2001, No. 231, implementing the Delegated Law 29 September 2000, No. 300, introduced in Italy the “*Regulation of the administrative liability of legal entities, companies and associations, even those without legal personality*” (hereinafter, for brevity, also “**Legislative Decree No. 231 of 2001**” or the “**Decree**”), which is part of a broad legislative process to combat corruption and aligns Italian regulations on the liability of legal entities with some International Conventions previously signed by Italy.

Legislative Decree No. 231 of 2001 therefore establishes a regime of administrative liability (substantially equivalent to criminal liability), for legal entities¹ (hereinafter, for brevity, the “**Entity/Entities**”), which adds to the liability of the natural person (better identified below) who is the material perpetrator of the crime and aims to involve, in the punishment of the same, the entities in whose interest or advantage such crime was committed. Such administrative liability exists solely for the offenses strictly listed in the same Legislative Decree no. 231 of 2001.

Article 4 of the Decree further clarifies that, in some cases and under the conditions set forth in Articles 7, 8, 9, and 10 of the Criminal Code, there exists administrative liability for entities whose main office is located in the territory of the State for crimes committed abroad by natural persons (as better identified below) provided that the State where the criminal act was committed does not proceed against these entities.

1.2 PERSONS SUBJECT TO LEGISLATIVE DECREE NO. 231 OF 2001

The individuals who, by committing a crime in the interest or to the advantage of the Entity, can determine its liability are listed below:

- (i) Natural persons holding senior positions (representation, administration or management of the Entity or of one of its organizational units with financial and functional autonomy or persons who, in fact, manage and control: hereinafter, for brevity, the “**Senior Subjects**”),
- (ii) Natural persons subject to the direction or supervision by one of the Senior Subjects (hereinafter, for brevity, the “**Subordinate Subjects**”).

In this regard, it is worth noting that it is not necessary for the Subordinate Subjects to have an employment relationship with the Entity, as the notion also includes “*those work providers who although not <employees> of the entity, have a relationship with it such that it is considered that there is a duty of supervision by the top management of the entity itself: consider, for example, agents, partners in operations of joint-ventures, the so-called quasi-subordinate workers in general, distributors, suppliers, consultants, collaborators*”².

In fact, according to the prevailing doctrinal view, situations are relevant for the purposes of the administrative liability of the entity in which a particular task is assigned to external collaborators, who are required to carry it out under the direction or control of Top Subjects.

It is nevertheless appropriate to reiterate that the Entity is not liable, by explicit legislative provision (article 5, paragraph 2, of the Decree), if the aforementioned subjects have acted in their own exclusive interest or that of third parties. In any case, their behavior must be attributable to that “organic” relationship for which the acts of the natural person can be imputed to the Entity.

1.3 PREDICATE OFFENSES

The Decree refers to the following types of offenses (hereinafter, for brevity, also, the “**Predicate Offenses**”):

- (i) Offenses against Public Administration (articles 24 and 25 of Legislative Decree No. 231 of 2001), introduced by the Decree.
- (ii) Computer crimes and unlawful data processing, introduced by article 7 of Law March 18, 2008, No. 48, which inserted article 24-bis;
- (iii) Crimes of organized crime, introduced by Article 2, paragraph 29, of Law July 15, 2009, no. 94, which added Article 24-ter, by Law 69 of May 27, 2015, and by Law 236 of 2016;
- (iv) Crimes related to falsification of currency, public credit cards, stamped values, and instruments or recognition marks, introduced by Article 6 of Law November 23, 2001, no. 406, which appended Article 25-bis;

¹ Art.1 of Legislative Decree no. 231 of 2001 has defined the scope of the subjects targeted by the regulation as “*entities with legal personality, companies, and associations even without legal personality*”. In light of this, the regulation applies to:

- entities with private subjectivity, namely entities with legal personality and associations “even without” legal personality;
- entities with public subjectivity, namely entities with public subjectivity but without public powers (so-called “economic public entities”);
- entities with mixed public/private subjectivity (so-called “mixed companies”).

However, excluded from the list of recipient subjects are: the State, territorial public entities (Regions, Provinces, Municipalities, and Mountain Communities), non-economic public entities and, in general, all entities that perform functions of constitutional significance (Chamber of Deputies, Senate of the Republic, Constitutional Court, General Secretariat of the Presidency of the Republic, C.S.M., etc.).

² As stated verbatim: Assonime Circular, dated November 19, 2002, no. 68.



- (v) Crimes against industry and commerce, introduced by Article 15, paragraph 7, letter b), of Law July 23, 2009, no. 99, which included Article 25-bis.1;
- (vi) Corporate crimes, introduced by Legislative Decree April 11, 2002, no. 61, which added Article 25-ter;
- (vii) Crimes with terrorist purposes or subversion of the democratic order, introduced by Law January 14, 2003, no. 7, which added Article 25-quater;
- (viii) Practices of female genital mutilation, introduced by Law January 9, 2006, no. 7, which added Article 25-quater.1;
- (ix) Crimes against individual personality, introduced by Law August 11, 2003, no. 228, which added Article 25-quinquies;
- (x) Market abuse crimes, provided for by Law April 18, 2005, no. 62, which added Article 25-sexies and, within the TUF, article 187-quinquies "Corporate liability";
- (xi) Crimes of manslaughter or serious or very serious injuries, committed in violation of workplace health and safety regulations, introduced by Law August 3, 2007, no. 123, which added article 25-septies;
- (xii) Crimes of receiving, laundering, and use of money, goods, or benefits of illicit origin as well as self-laundering, introduced by Legislative Decree November 21, 2007, no. 231, which added article 25-octies;
- (xiii) Crimes related to copyright infringement, introduced by Article 15, paragraph 7, letter c), of Law of 23 July 2009, no. 99, which inserted Article 25-novies;
- (xiv) Crime of inducing someone not to make statements or to make false statements to the judicial authority, introduced by Article 4 of Law of 3 August 2009, no. 116, which inserted Article 25-decies³;
- (xv) Environmental crimes, introduced by Legislative Decree of 7 July 2011, no. 121, which inserted Article 25-undecies;
- (xvi) Transnational crimes, introduced by Law of 16 March 2006, no. 146, "Law of ratification and execution of the United Nations Convention and Protocols against transnational organized crime";
- (xvii) Crime of employing third-country nationals whose stay is irregular, introduced by Legislative Decree July 16, 2012, No. 109, implementing the "Directive 2009/52/EC which establishes minimum standards for sanctions and measures against employers of third-country nationals whose stay is irregular", which inserted article 25-duodecies;
- (xviii) Crime of racism and xenophobia, introduced by Article 5 of the European Law, into Legislative Decree No. 231 of 2001 at article 25-terdecies;
- (xix) Crimes concerning extortion, undue inducement to give or promise benefits, and corruption, introduced by Legislative Decree No. 75 of 2020, which inserted article 25 into Legislative Decree No. 231 of 2001;
- (xx) Offenses related to smuggling, introduced by Legislative Decree No. 75 of 2020, which added Article 25-sexiesdecies to Legislative Decree No. 231 of 2001;
- (xxi) Crimes against cultural heritage, introduced by Bill No. 893-B, which added Article 25-septiesdecies to Legislative Decree No. 231 of 2001;
- (xxii) Crimes related to fraud in sports competitions, illegal gambling or betting, and gambling operated using prohibited devices, introduced by Law No. 39 of 2019, which added Article 25-quaterdecies to Legislative Decree No. 231 of 2001;
- (xxiii) Offenses related to payment methods other than cash, introduced by Legislative Decree No. 184 of 2021 implementing Directive 2019/713/EU concerning the fight against fraud and counterfeiting of payment methods other than cash, which inserted article 25-octies.1 into Legislative Decree No. 231 of 2001;
- (xxiv) Crimes concerning the undue receipt of funds, fraud against the State or another public entity or for obtaining public funds, and computer fraud against the State or a public entity, introduced by Legislative Decree of July 14, 2020, No. 75, into Legislative Decree No. 231 of 2001 at article 24;
- (xxv) Crimes under the Save Oil Law – Liability of entities for administrative offenses dependent on crime, introduced by Law of January 14, 2013, No. 9, into Legislative Decree No. 231 of 2001;
- (xxvi) Tax crimes, introduced by Law no. 157 of 2019, which added article 25-quinquedecies to Legislative Decree no. 231 of 2001;
- (xxvii) Crimes related to the laundering of cultural assets and the devastation and looting of cultural and landscape assets, introduced by bill no. 893-B, which added article 25-duodevicies to Legislative Decree no. 231 of 2001;
- (xxviii) Crimes against animals, introduced by Law no. 82/2025, which added article 25-undevicies "Amendments to the penal code, the code of criminal procedure, and other provisions for the integration and harmonization of the regulation on crimes against animals."

1.4 THE SANCTIONS PROVIDED FOR IN THE DECREE

Legislative Decree no. 231 of 2001 provides for the following types of sanctions applicable to entities subject to the regulation:

- (a) monetary administrative sanctions;
- (b) prohibitive sanctions;
- (c) confiscation of the price or profit of the crime;
- (d) publication of the judgment.

³ Originally 25-novies and renumbered by Legislative Decree 121/2011.



(a) **The monetary administrative sanction**, governed by articles 10 and following of the Decree, constitutes the “basic” sanction of necessary application, for which payment the Entity is liable with its assets or with the common fund.

The Legislator has adopted an innovative criterion for measuring the sanction, assigning the Judge the obligation to carry out two different and successive appreciation operations. This results in a greater adjustment of the sanction to the seriousness of the act and to the economic conditions of the Entity. The first assessment requires the Judge to determine the number of shares (in any case not less than one hundred, nor more than one thousand)⁴ taking into account:

- the severity of the act;
- the degree of responsibility of the Entity;
- the actions taken to eliminate or mitigate the consequences of the act and to prevent the commission of further offenses.

During the second assessment, the Judge determines, within the minimum and maximum values predetermined in relation to the sanctioned offenses, the value of each share, from a minimum of Euro 258.00 to a maximum of Euro 1,549.00. This amount is set “ *based on the economic and financial conditions of the entity in order to ensure the effectiveness of the sanction*” (Articles 10 and 11, paragraph 2, Legislative Decree no. 231 of 2001).

As stated in section 5.1. of the Report to the Decree, “*Regarding the methods of assessing the financial and asset conditions of the entity, the judge may use the balance sheets or other documents that are suitable for capturing these conditions. In some cases, the evidence may also be obtained by considering the size of the entity and its position in the market. (...) The judge cannot avoid immersing himself, with the help of consultants, in the reality of the business, where he can also gather information related to the economic, financial, and asset solidity of the entity*”.

Article 12, Legislative Decree no. 231 of 2001, provides for a series of cases in which the monetary penalty is reduced. These are schematically summarized in the following table, indicating the reduction made and the conditions for applying the reduction itself.

Reduction	Conditions
1/2 (and in any case cannot exceed Euro 103,291.00)	<ul style="list-style-type: none">• The perpetrator of the offense committed the act in the predominant interest of themselves or third parties and the Entity did not derive any benefit or derived a minimal benefit; <u>or</u> <ul style="list-style-type: none">• the financial damage caused is particularly slight.
from 1/3 to 1/2	[Before the declaration of the opening of the first instance trial] <ul style="list-style-type: none">• The Entity has fully compensated for the damage and has eliminated the harmful or dangerous consequences of the offense or has otherwise effectively acted in this regard; <u>or</u> <ul style="list-style-type: none">• an organizational model suitable to prevent offenses of the type that occurred has been implemented and made operational.
from 1/2 to 2/3	[Before the declaration of the opening of the first instance trial] <ul style="list-style-type: none">• The Entity has fully compensated for the damage and has eliminated the harmful or dangerous consequences of the offense or has otherwise effectively acted in this regard; <u>and</u> <ul style="list-style-type: none">• an organizational model suitable to prevent offenses of the type that occurred has been implemented and made operational.

⁴ With reference to the crimes of market abuse, the second paragraph of article 25-sexies of Legislative Decree no. 231 of 2001 states that: “*And following the commission of the offenses referred to in paragraph 1, if the product or profit obtained by the entity is significant, the penalty is increased up to ten times such product or profit*”.



(b) The following **restrictive sanctions** are provided for by the Decree and apply only in relation to the offenses for which they are expressly provided:

- ban on conducting business activities;
- suspension or revocation of authorizations, licenses or concessions functional to the commission of the offense;
- prohibition on contracting with the Public Administration, except for obtaining the services of a public service;
- exclusion from subsidies, financing, contributions and grants, and/or the revocation of those already granted;
- ban on advertising goods or services.

For the prohibitive sanctions to be imposed, at least one of the conditions set out in article 13, Legislative Decree no. 231 of 2001 must be met, that is:

- *"the entity derived significant profit from the offense and the offense was committed by individuals in top positions or by individuals under another's direction when, in this case, the commission of the offense was caused or facilitated by serious organizational deficiencies; "*; or
- *"in the case of repeated offenses"*⁵.

Moreover, prohibitive sanctions can also be requested by the Public Prosecutor and applied to the Entity by the Judge as a precaution when:

- there are serious indications to believe the Entity's liability for an administrative offense dependent on a crime;
- well-founded and specific elements emerge indicating the existence of a concrete danger that offenses of the same nature as the one being prosecuted may be committed;
- The Entity has derived a profit of significant magnitude.

In any case, the application of prohibitive sanctions is not pursued when the offense was committed primarily in the interest of the perpetrator or third parties and the Entity has gained minimal or no advantage from it, or the financial damage caused is particularly minor.

The application of prohibitive sanctions is also excluded if the Entity has undertaken corrective actions as provided for by Article 17 of Legislative Decree no. 231 of 2001, specifically when the following conditions are met:

- *"the entity has fully compensated for the damage and has eliminated the harmful or dangerous consequences of the offense, or has otherwise effectively taken action in this regard";*
- *"the entity has eliminated the organizational deficiencies that led to the offense through the adoption an implementation of organizational models suitable for preventing offenses of the same kind as the one that occurred";*
- *"the entity has made available the profit obtained for the purpose of confiscation".*

Prohibitory sanctions have a duration of not less than three months and not more than two years, and the choice of the measure to be applied and its duration is made by the Judge based on the criteria previously indicated for the commensuration of the monetary sanction, *"taking into account the suitability of individual sanctions to prevent offenses of the type committed"* (art. 14, Legislative Decree no. 231 of 2001).

The Legislator then took care to specify that the prohibition of activity is residual in nature compared to other prohibitive sanctions.

(c) Pursuant to Article 19, Legislative Decree no. 231 of 2001, confiscation is always ordered with the conviction sentence – **even for equivalent value** – of the price (money or other economic benefit given or promised to induce or cause another person to commit the crime) or the profit (immediate economic benefit obtained) from the crime, except for the part that can be returned to the injured party and without prejudice to rights acquired by third parties in good faith.

(d) The **publication of the conviction sentence** in one or more newspapers, either as an excerpt or in full, may be ordered by the Judge, along with posting in the municipality where the Entity has its main office, when a prohibitive sanction is applied. The publication is carried out by the Clerk's Office of the competent Judge and at the Entity's expense.

1.5 ATTEMPTED CRIMES

In cases of commission, in the form of an attempt, of the predicate offenses of the Decree, monetary sanctions (in terms of amount) and prohibitive sanctions (in terms of time) are reduced by one-third to half, while the imposition of sanctions is excluded in cases where the Entity voluntarily prevents the completion of the action or the occurrence of the event (Article 26 of the Decree).

⁵ Pursuant to Article 20 of Legislative Decree no. 231 of 2001, *"recurrence occurs when the entity, already definitively convicted at least once for an offense dependent on a crime, commits another within five years following the final conviction"*.



1.6 EXEMPTING CONDUCTS

Articles 6 and 7 of Legislative Decree No. 231 of 2001 provide specific forms of exemption from the administrative liability of the Entity for offenses committed in the interest or to the advantage of the same, both by Senior Executives and by Subordinate Subjects (as defined in the previous paragraph 1.2).

In particular, in the case of offenses committed by Senior Executives, Article 6 of the Decree provides for exemption if the Entity itself proves that:

- a) the board of directors has adopted and effectively implemented, prior to the commission of the act, an organizational and management model suitable to prevent offenses of the type that occurred (hereinafter, for brevity, the **"Model"**);
- b) the task of overseeing the operation and compliance with the Model as well as ensuring its updating has been assigned to an entity's body (hereafter, for brevity, the **"Supervisory Body"** or the **"SB"**), endowed with autonomous powers of initiative and control;
- c) the individuals who committed the crime acted by fraudulently circumventing the Model;
- d) there was no omitted or insufficient oversight by the Supervisory Body.

As regards the Subordinate Subjects, Article 7 of the Decree provides for exemption from liability in cases where the Entity has adopted and effectively implemented, prior to the commission of the offense, a Model suitable for preventing crimes of the type that occurred.

However, the Entity's exemption from liability is not determined merely by adopting the Model, but by its effective implementation through the application of all necessary protocols and controls to limit the risk of committing the crimes that the Company aims to prevent. Specifically, with regard to the Model's characteristics, the Decree explicitly provides, in Article 6, paragraph 2, for the following preparatory steps for the correct implementation of the Model itself:

- a) identification of activities within which there is the possibility that crimes may be committed;
- b) forecasting specific protocols aimed at scheduling the development and implementation of the Entity's decisions in relation to the crimes to be prevented;
- c) identification of ways to manage financial resources suitable to prevent the commission of such crimes;
- d) forecasting of information obligations towards the Supervisory Body;
- e) introduction of a disciplinary system suitable to sanction the failure to comply with the measures indicated in the Model.

1.7 THE GUIDELINES

Upon express indication of the delegated Legislator, the Models can be adopted based on codes of conduct drawn up by representative category associations that have been communicated to the Ministry of Justice, which, in agreement with the competent Ministries, can make observations within 30 days on the suitability of the models to prevent crimes.

The preparation of this Model is inspired by the Guidelines for the construction of organization management and control Models ex Legislative Decree no. 231 of 2001, approved by Confindustria on March 7, 2002, and subsequently updated (hereinafter referred to as the **"Guidelines"**).

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

- a) identification of risk areas, aimed at verifying in which company areas/sectors it is possible for crimes to occur;
- b) establishment of a control system capable of reducing risks through the adoption of specific protocols. Supporting this is the coordinated set of organizational structures, activities, and operating rules applied – as directed by top management – by management and consultants, aimed at providing reasonable assurance regarding the achievement of the objectives included in a good internal control system. The most relevant components of the preventive control system proposed by the Confindustria Guidelines are, as far as the prevention of intentional crimes is concerned:
 - the Code of Ethics;
 - the organizational system;
 - manual and IT procedures;
 - authorization and signature powers;
 - the control and management system;
 - communication to staff and their training.

With reference to negligent crimes (crimes related to health and safety at work and – although following the issuance of the Guidelines – most environmental crimes), the most relevant components identified by Confindustria are:



- the Code of Ethics (or conduct) with reference to the considered crimes;
- the organizational structure,
- training and instruction,
- communication and involvement,
- operational management,
- the safety monitoring system.

The control system must be informed by the following principles:

- verifiability, documentability, consistency, and coherence of each operation;
 - separation of functions (no one can independently manage all phases of a process);
 - documentation of controls;
 - introduction of an adequate sanctioning system for violations of the rules and protocols provided by the Model;
 - identification of a Supervisory Body whose main requirements are:
 - autonomy and independence,
 - professionalism,
 - continuity of action;
- c) obligation on the part of company functions, particularly those identified as most "crime risk", to provide information to the Supervisory Body, both on a structured basis (periodic information in implementation of the Model itself) and to report anomalies or atypicalities found within the available information.

2. THIS MODEL

2.1 PAGANI S.p.A.

Pagani S.p.A. (hereinafter, for brevity, "**Pagani**" or the "**Company**"), was founded in San Cesario sul Panaro (MO) in 1991 as Modena Design by its founder Horacio Pagani, an expert in design applied to the automotive sector, to meet the growing demand for services in design, planning, engineering, model construction, molds, and prototypes.

The uniqueness of Pagani S.p.A. has always been its approach to design as a fusion of art and technology.

Pagani S.p.A. is a company specializing in the design, development, and construction of prototypes, with particular expertise in the use and processing of advanced composite materials aimed at the production of vehicles in limited series.

Today, Pagani S.p.A. is able to offer:

- Design and development of automobiles (GT/City cars)
- Design and development of racing cars
- Model construction (wood/epowood/ureol)
- Chassis and bodywork engineering
- Style model construction
- Construction of presentation, habitability, reliability prototypes, analysis and testing
- Design and construction of molds in composite materials
- Research and development of new materials
- Studies of form, feasibility, and functionality
- Construction of components in advanced composites
- Management and organization of tours within the Pagani Museum
- Sale of merchandising

2.2 THIS MODEL

2.2.1 The purposes of the Model

The Model prepared by the Company based on the identification of areas of possible risk in business activities where the likelihood of crimes being committed is higher, aims to:

- establish a prevention and control system aimed at reducing the risk of committing crimes related to business activities;



- make all those who operate in the name and on behalf of the Company, and in particular those engaged in “at-risk activity areas”, aware that they may incur, in case of violation of the provisions contained herein, an offense subject to sanctions, both criminal and administrative, not only against themselves but also against the company;
- inform all those who operate with the Company that violation of the prescriptions contained in the Model will result in the application of specific sanctions or the termination of the contractual relationship;
- confirm that the Company does not tolerate illegal behavior, of any kind and regardless of any purpose, and that, in every case, such behavior (even if the Company is seemingly in a position to benefit from it) is nevertheless contrary to the principles that inspire the Company’s business activities.

2.2.2 The construction of the Model

Based also on the guidelines contained in the reference Guidelines, the construction of the Model (and the subsequent drafting of this document) was divided into the phases described below:

- (i) preliminary examination of the corporate context through the analysis of relevant company documentation and conducting interviews with company officials informed about the structure and activities of the company, in order to define the organization and activities carried out by the various organizational units/business functions, as well as the business processes in which the activities are structured and their concrete and effective implementation;
- (ii) identification of activity areas and business processes “at risk” or – limited to crimes against Public Administration – “instrumental” to the commission of crimes, based on the aforementioned preliminary examination of the corporate context (hereinafter, for brevity, collectively referred to as the “**Crime Risk Areas**”);
- (iii) hypothetical definition of the main possible ways of committing Predicate Offenses within individual Crime Risk Areas;
- (iv) detection and identification of the entity’s control system aimed at preventing the commission of Predicate Offenses.

2.2.3 The concept of acceptable risk

In the preparation of an organizational and management Model, such as this one, the concept of acceptable risk cannot be overlooked. Indeed, it is essential to establish, for the purposes of complying with the provisions introduced by Legislative Decree no. 231 of 2001, a threshold that allows limiting the quantity and quality of prevention tools that must be adopted to prevent the commission of the crime. With specific reference to the sanctioning mechanism introduced by the Decree, the threshold of acceptability is represented by the effective implementation of an adequate preventive system that cannot be circumvented except intentionally, or, for the purpose of excluding the administrative liability of the entity, the persons who committed the crime acted by fraudulently evading the Model and the controls adopted by the Company.

2.2.4 The structure of the Model and the Predicate Offenses relevant to its construction

The Company has intended to prepare a Model that considers its unique business reality, consistent with its governance system and capable of enhancing existing controls and bodies.

The Model, therefore, represents a coherent set of principles, rules, and provisions that:

- affect the internal functioning of the Company and the ways in which it interacts with the outside;
- regulate the diligent management of a control system for Crime Risk Areas, aimed at preventing the commission or attempted commission of the offenses referred to in the Decree.

In particular, Pagani’s Model consists of a “**General Part**”, which contains the key principles of the same and from a “**Special Part**”, in turn divided into Sections in relation to the different categories of offenses provided for by Legislative Decree No. 231 of 2001.

The Special Part contains – for each category of predicate offenses – a brief description of the offenses that may be a source of administrative liability for the Company, the indication of the Identified Crime Risk Areas and the description of the main rules of conduct implemented by the Company, which the Model Recipients (as defined below) must adhere to in order to prevent the commission of such offenses.

Even in consideration of the number of types of crimes that currently constitute the basis of administrative liability of Entities under the Decree, some of them have not been deemed relevant for the construction of this Model, since it was considered that the risk related to the commission of such crimes was only abstractly and not concretely conceivable. In particular, after a careful evaluation of the activities actually carried out by Pagani and its history, the following types have been considered irrelevant:

- Crimes related to practices of female genital mutilation (Art. 25-*quarter*.1 Legislative Decree 231/01);



- Crimes related to market abuse (Art. 25-sexies Legislative Decree 231/01);
- Other types related to market abuse (art. 187-quinquies TUF);
- Crimes against cultural heritage (Art. 25-septiesdecies D. Lgs. 231/01);
- Crimes of racism and xenophobia (Art. 25-terdecies);
- Crimes related to smuggling (Art. 25-sexiesdecies);
- Crimes related to fraud in sports competitions, unauthorized gambling or betting, and gambling operated through prohibited devices (Art. 25-quaterdecies D. Lgs. 231/01);
- Save Oil Law – Corporate liability for administrative offenses dependent on crime (Art. 12, L. n. 9/2013);
- Crimes related to laundering cultural assets and devastation and looting of cultural and landscape assets (Art. 25-duodecimes);
- Crimes against animals (Art. 25-undecies D. Lgs. 231/01);

In any case, the ethical principles on which the Company Model is based and its governance structure are aimed at generally preventing even those types of offenses which, due to their insignificance, do not find specific regulation in the Special Part of this Model. Governance are aimed at generally preventing even those types of offenses which, due to their insignificance, do not find specific regulation in the Special Part of this Model.

2.2.5 The adoption of the Model

The adoption of this Model is entrusted by the Decree itself to the competence of the governing body (and in particular to the Board of Directors), which is also tasked with integrating this Model with additional Sections of the Special Part related to other types of Predicate Offenses newly introduced in Legislative Decree no. 231 of 2001.

2.3 DOCUMENTS RELATED TO THE MODEL

The following documents form an integral and substantial part of the Model:

- ethical code containing the set of rights, duties, and responsibilities of Pagani towards the recipients of the Model itself (hereinafter, for brevity, the **"Code of Ethics"**);
- disciplinary system and related sanction mechanism to be applied in case of violation of the Model (hereinafter, for brevity, the **"Sanctioning System"**);
- system of delegations and powers of attorney, as well as all documents aimed at describing and assigning responsibilities and/or tasks to those operating within the Entity in the Risk Crime Areas (i.e. organizational charts, service orders, job descriptions, duty lists, function charts, etc.);
- system of procedures, protocols, and internal controls aimed at ensuring adequate transparency and awareness of decision-making and financial processes, as well as the behaviors that must be adopted by the recipients of this Model operating in the Crime Risk Areas. (Hereafter, for brevity, the system of delegations and powers of attorney, the procedures, the protocols, and the internal controls mentioned above will be collectively defined as the **"Procedures"**)

Consequently, the term Model should be understood not only as this document but also all the additional documents and Procedures that will be subsequently adopted as provided herein and that will pursue the objectives indicated here.

2.4 FINANCIAL RESOURCES MANAGEMENT

Notwithstanding what is indicated in the previous paragraph 2.3, considering that according to Article 6, letter c) of Legislative Decree No. 231 of 2001 among the needs to which the Model must respond is also the identification of methods for managing financial resources suitable to prevent the commission of crimes, the Company has adopted specific protocols containing the principles and behaviors to be followed in the management of such resources.

2.5 MODEL DISSEMINATION

2.5.1 Recipients

This Model takes into account the specific business reality of the Company and represents a valid tool for raising awareness and informing Top Management and Subordinate Subjects (hereinafter, for brevity, the **"Recipients"**).

All this ensures that the Recipients follow, in the performance of their activities, correct and transparent behaviors in line with the ethical-social values that inspire the Company in pursuing its corporate purpose and, in any case, prevent the risk of committing the crimes provided for by the Decree.

In any case, the competent corporate functions ensure the integration in the Company's Procedures of the principles and behavioral norms contained in the Model and the Pagani's Code of Ethics.



2.5.2 Training and Information for Personnel

Pagani aims to ensure that Recipients have a correct understanding of the content of the Decree and the obligations arising from it.

For the effective implementation of this Model, training and information for Recipients is managed by the Human Resources Function in close coordination with the Supervisory Body and with the managers of other company functions involved from time to time in the application of the Model.

The main methods of conducting the training/information activities necessary also for compliance with the provisions contained in the Decree include the specific information at the time of hiring and any further activities deemed necessary to ensure the correct application of the provisions set out in the Decree. In particular, it is planned:

- an initial communication. In this regard, the adoption of the current Model is communicated to all employees present in the Company. New hires are given the Code of Ethics and the Model - General Part of Pagani. They are also required to sign a form acknowledging that the Model is available on the *company intranet* and commit to observe the contents of the cited regulations. Furthermore, Top and/or Subordinate Subjects operating in Areas at Crime Risk are informed about the Section(s) of the Special Part relevant to their Area;
- a specific training activity. This "continuous" training activity is mandatory and developed through IT tools and procedures (*update e-mails intranet corporate intranet, self-assessment tools*), as well as regular training and update meetings and seminars. This activity is tailored, in content and delivery methods, according to the qualification of the Recipients, the risk level of the area in which they operate, and whether or not they have representation functions for the Company.

In order to ensure the effective dissemination of the Model and inform the staff about the content of the Decree and the obligations arising from its implementation, a specific section of the corporate *intranet* is established (where all the documents that make up the Model are present and available) dedicated to the topic and updated, from time to time, by the internal reference function in coordination with or under the direction of the Supervisory Body.

2.5.3 Information to Third Parties and dissemination of the Model

Pagani also provides for the dissemination of the Model to persons who have collaborative relations with the Company without a subordination bond, consulting relationships, agency relationships, commercial representation relationships and other relationships that result in a professional service, not of a subordinate nature, whether continuous or occasional (including individuals acting for suppliers and *partners*, also in the form of a temporary business association, as well as *joint-venture*) (hereinafter, for brevity, the "Third Parties").

In particular, the company functions, involved from time to time, provide to Third Parties in general and to service *companies* with whom they come into contact, appropriate information regarding Pagani's adoption of the Model pursuant to Legislative Decree no. 231 of 2001. The Company also invites Third Parties to review the contents of the Code of Ethics and the General Part of the Model available on its website *internet* of the same.

In the respective contract texts, specific clauses are included to inform Third Parties about Pagani's adoption of the Model, of which they declare they have reviewed and are aware of the consequences of non-compliance with the principles contained in the General Part of the Model and the Code of Ethics. They also commit to not engaging in and ensuring their top executives or subordinates refrain from committing any Predicate Offenses.

3. ELEMENTS OF THE GOVERNANCE MODEL GOVERNANCE AND THE GENERAL ORGANIZATIONAL STRUCTURE OF PAGANI

3.1 THE MODEL OF GOVERNANCE OF THE COMPANY

Pagani is a joint-stock company and is managed by a Board of Directors composed of 10 members, even non-shareholders, as decided by the Assembly. The Directors remain in office for 3 financial years, or for a shorter period established by the Assembly at the time of appointment, and their term expires on the date of the meeting called to approve the financial statements for the last year of their office.

The Board of Directors is vested with all the most extensive powers for the ordinary and extraordinary management of the Company, without any exception, with all the faculties for the implementation and achievement of the corporate objectives.



It can therefore enter into any kind of obligation and perform any act of asset management without any limitations, being responsible for everything that is not expressly reserved by law for the resolutions of the Assembly.

The Board of Directors may appoint an Executive Committee, determining the number of its members and the rules of operation, and/or one or more Chief Executive Officers, defining the content, limits, and methods of exercising the delegation.

The Board of Directors may delegate all powers that are legally delegable to the Chairman, the Vice Chairman, the Chief Executive Officers, the Executive Committee, and one or more Directors.

The Board of Directors may appoint one or more General Managers as well as Special Attorneys for certain acts or categories of acts, determining their duties, responsibilities, and powers, including representation, in compliance with legal limitations. Within the limits of their powers, the President, the Vice President, the Chief Executive Officers and the Executive Committee may also grant special powers of attorney to third parties for categories of acts of ordinary administration, as well as for certain acts of extraordinary administration.

The President, and a Chief Executive Officer, independently represent the Company in dealings with third parties and in legal proceedings, with the authority to initiate actions, complaints, and judicial and administrative petitions for any level of jurisdiction, including appeals for reconsideration or to the Supreme Court.

The Board of Directors, also through the Chairman or the Chief Executive Officers, promptly and at least quarterly reports to the Board of Statutory Auditors on the activities carried out and on the most significant economic, financial, and asset operations performed by the Company or its subsidiaries, including atypical, unusual, or related party transactions; in particular, it reports on transactions in which directors have an interest, either on their own behalf or on behalf of third parties, or that are influenced by the entity exercising management and coordination.

3.2 THE INTERNAL CONTROL SYSTEM OF PAGANI S.P.A.

Pagani has adopted the following general instruments aimed at planning the formation and implementation of the Company's decisions (also in relation to crimes to be prevented):

- the ethical principles to which the Company adheres, also based on what is established in the Code of Ethics;
- the system of delegations and powers of attorney;
- the documentation and provisions related to the hierarchical-functional corporate and organizational structure;
- the internal control system and therefore the structure of company procedures;
- the procedures related to the administrative, accounting and reporting;
- the company communications and circulars directed to the personnel;
- the mandatory, adequate and differentiated training of all personnel;
- the sanctioning system referred to in the National Collective Labor Agreements;
- the "corpus" normative and regulatory national and foreign when applicable.

3.3 GENERAL PRINCIPLES OF CONTROL IN ALL CRIME RISK AREAS

In addition to the specific controls described in each Section of the Special Part of this Model, the Company has implemented specific general controls applicable in all Crime Risk Areas.

Specifically, these are:

- **Transparency:** every operation/transaction/action must be justifiable, verifiable, consistent, and congruent;
- **Separation of functions/Powers:** no one can autonomously manage an entire process and have unlimited powers; authorizing and signing powers must be defined consistently with the assigned organizational responsibilities;
- **Adequacy of internal regulations:** the set of corporate rules must be consistent with the activities carried out and the level of organizational complexity, and such as to guarantee the necessary controls to prevent the commission of offenses provided for by the Decree;
- **Traceability/Documentation:** every operation/transaction/action, as well as the related verification and control activities, must be documented and the documentation must be adequately archived.



4. THE SUPERVISORY BODY

4.1 CHARACTERISTICS OF THE SUPERVISORY BODY

According to the provisions of Legislative Decree no. 231 of 2001 (articles 6 and 7), as well as the guidelines contained in the Confindustria Guidelines, the characteristics of the Supervisory Body, such as to ensure an effective and efficient implementation of the Model, must be:

- (a) autonomy and independence;
- (b) professionalism;
- (c) continuity of action.

Autonomy and independence

The requirements of autonomy and independence are essential so that the Supervisory Body is not directly involved in management activities that constitute the subject of its monitoring activities and, therefore, does not suffer conditioning or interference from the governing body.

These requirements can be achieved by ensuring the Supervisory Body the highest possible hierarchical position, and providing for a *reporting activity* at the highest operational corporate level, namely the Board of Directors as a whole. For the purpose of independence, it is also essential that the Supervisory Body is not assigned operational tasks, which would compromise its objectivity in judgment with reference to checks on behaviors and the effectiveness of the Model.

Professionalism

The Supervisory Body must possess technical-professional skills appropriate to the functions it is called upon to perform. These characteristics, combined with independence, ensure objectivity of judgment.⁶

Continuity of action

The Supervisory Body must:

- carry out the activities necessary for monitoring the Model continuously with adequate commitment and with the necessary investigative powers;
- be a structure referable to the Company, so as to ensure the necessary continuity in the supervisory activity.

To ensure the effective existence of the requirements described above, it is appropriate that these individuals possess, in addition to the described professional skills, the formal subjective requirements that further ensure the autonomy and independence required by the task (e.g., integrity, absence of conflicts of interest and of kinship relations with corporate bodies and top management, etc.).

4.2 IDENTIFICATION OF THE SUPERVISORY BODY

Simultaneously with the adoption of this Model, the Board of Directors of Pagani S.p.A. appointed the Supervisory Body, in its collegial composition, designating three members deemed suitable based on the requirements set out by Legislative Decree 231/2001 and the reference Guidelines.

The decision to establish a collegial Supervisory Body aims to ensure broader representation and greater effectiveness in performing supervisory duties, guaranteeing in particular the requirements of autonomy, independence, professionalism, and continuity of action required by the regulations.

This configuration was considered consistent with the company's structure and size, as well as suitable to adequately oversee the functions assigned to the Supervisory Body by the Decree and the Guidelines.

4.3 DURATION OF THE ASSIGNMENT AND CAUSES OF TERMINATION

The Supervisory Body remains in office for the duration indicated in the appointment act and can be renewed.

The termination from office of the SB can occur for one of the following reasons:

- expiration of the term;
- removal of the Body by the Board of Directors;

⁶ This refers, among other things, to: techniques for risk analysis and assessment; measures for their containment (organizational procedures, task segregation mechanisms, etc.); *flow charting* in procedures and processes for identifying weaknesses, interview techniques and questionnaire processing; methodologies for identifying fraud; etc. The Supervisory Body must have inspection skills (to ascertain how a crime of the examined type could have occurred and who committed it); consulting skills (to adopt – at the time of designing the Model and subsequent modifications – the most suitable measures to prevent, with reasonable certainty, the commission of the same crimes) or, furthermore, to verify that daily behaviors actually comply with those codified) and legal skills. Legislative Decree no. 231 of 2001 is a criminal discipline and since the activity of the Supervisory Body aims to prevent the perpetration of crimes, the knowledge of the structure and methods of perpetration of crimes is therefore essential (which can be ensured through the use of resources corporate, or rather external consulting).



- resignation of a member, formalized through a specific written communication sent to the Board of Directors;
- occurrence of one of the causes for disqualification mentioned in the following paragraph 4.4.

The removal of the SB can only be ordered for just cause, and the following examples of such cases:

- the case in which the member is involved in a criminal proceeding concerning the commission of a crime;
- the case in which a breach of the confidentiality obligations imposed on the Supervisory Body is found;
- a serious negligence in carrying out the tasks related to the assignment;
- the possible involvement of the Company in a legal proceeding, criminal or civil, that is connected to an omission or insufficient oversight, even if unintentional.

The revocation is decided by a resolution of the Board of Directors, subject to the binding opinion of the Company's Board of Auditors.

In the event of expiration, revocation, or resignation, the Board of Directors promptly appoints the new member of the Supervisory Board, while the outgoing member remains in office until replaced.

4.4 CASES OF INELIGIBILITY AND FORFEITURE

Constitute grounds for ineligibility and/or removal of the member of the Supervisory Body:

- a) interdiction, disqualification, bankruptcy or, in any case, a criminal conviction, even if not final, for one of the offenses provided by the Decree or, in any case, a sentence that entails interdiction, even temporarily, from public offices or the incapacity to hold managerial positions;
- b) the existence of relationships of kinship, marriage or affinity within the fourth degree with members of the Board of Directors or the Board of Statutory Auditors of the Company, or with external subjects entrusted with auditing;
- c) the existence of financial relationships between the member and the Company that compromise the independence of the member itself.

Should a cause for removal arise during the term of office, the member of the Supervisory Body must immediately inform the Board of Directors.

4.5 FUNCTIONS, DUTIES, AND POWERS OF THE SUPERVISORY BODY

In accordance with the indications provided by the Decree and the Guidelines, the function of the Supervisory Body generally consists of:

- monitoring the actual application of the Model in relation to the different types of offenses considered by it;
- verifying the effectiveness of the Model and its real ability to prevent the commission of the offenses in question;
- identify and propose updates and modifications to the Model to the Board of Directors in relation to changed regulations or altered business needs or conditions;
- verify that the update and modification proposals formulated by the Board of Directors have been effectively incorporated into the Model.

Within the scope of the above-mentioned function, the following tasks:

- periodically review the map of Crime Risk Areas and the adequacy of control points to enable their adaptation to changes in business activity and/or structure. For this purpose, recipients of the Model, as better described in its special parts, must report to the Supervisory Body any situations that could expose Pagani to the risk of crime. All communications must be written and sent to the designated email address activated by the Supervisory Body;
- periodically carry out targeted checks and inspections on specific operations or acts within the Crime Risk Areas based on the previously established activity plan of the Supervisory Body;
- collect, process and store information (including the reports mentioned in the following paragraph) relevant to compliance with the Model, as well as update the list of information that must be mandatorily transmitted to the same OdV;
- conduct internal investigations to ascertain alleged violations of the requirements of this Model brought to the attention of the OdV by specific reports or that emerged during its monitoring activities;
- verify that the elements provided for in the Model for the different types of offenses (standard clauses *standard*, procedures and related controls, delegation system, etc.) are effectively adopted and implemented and meet the requirements for compliance with Legislative Decree no. 231 of 2001, and if not, to propose corrective actions and updates.

For the performance of the functions and tasks indicated above, the following powers:

- to access extensively and thoroughly various company documents, particularly those concerning contractual and non-contractual relations established by the company with third parties;



- to make use of the support and cooperation of various company structures and corporate bodies that may be interested or otherwise involved in control activities;
- to assign specific consultancy and assistance tasks to professionals, including those outside the company.

4.6 RESOURCES OF THE SUPERVISORY BODY

The Board of Directors allocates to the Supervisory Body the human and financial resources deemed appropriate for carrying out the assigned task. In particular, the Supervisory Body is granted autonomous spending powers, as well as the authority to enter into, modify, and/or terminate professional engagements with third parties possessing the specific skills necessary for the best execution of the task.

4.7 INFORMATION FLOWS OF THE SUPERVISORY BODY

4.7.1 Obligations to inform the Supervisory Body

In order to facilitate monitoring activities on the effectiveness of the Model, the Supervisory Body must be informed, through specific reports by the Recipients (and, if applicable, by Third Parties) regarding events that could entail Pagani's liability pursuant to Legislative Decree no. 231 of 2001. The information flows to the Supervisory Body are divided into reports of unlawful conduct or violations of this Model and mandatory specific information.

As provided by art. 6 para. 2-bis of Legislative Decree 231/01⁷, **the recipients of the Model** identified by art. 5 para. 1 letter a) and b) of the same Decree as:

- the individuals who perform representation, administration, or management functions of the entity or of one of its organizational units endowed with financial and functional autonomy, as well as those who exercise, even de facto, the management and control of the same;
- individuals subject to the direction or supervision of one of the entities referred to in the first point;

submit reports to protect the integrity of the entity, of detailed reports of unlawful conduct relevant pursuant to Legislative Decree 231/2001 and based on precise and consistent factual elements, or concerning the violation of this Model, of which they have become aware due to the functions performed.

In addition to the reports related to the general violations described above, information regarding must be mandatorily and promptly forwarded to the Supervisory Body:

- the measures and/or information coming from judicial police bodies, or from any other authority, concerning the conduct of investigations involving Pagani or the members of the corporate bodies;
- the reports possibly prepared by the heads of other bodies (for example, Board of Statutory Auditors) within their control activities and from which facts, acts, events or omissions with critical profiles in relation to compliance with Legislative Decree no. 231 of 2001 may emerge;
- the information relating to disciplinary proceedings as well as any imposed penalties or the filing decisions of such proceedings with the related reasons, if they are linked to the commission of crimes or violation of the behavioral or procedural rules of the Model;
- the inquiry commissions or internal reports/communications from which responsibility emerges for the alleged crimes under Legislative Decree No. 231 of 2001;
- organizational changes;
- updates to the system of delegations and powers;
- particularly significant operations carried out within the context of Crime Risk Areas;
- changes in Crime Risk Areas or potential risk areas;
- any communications from the Board of Statutory Auditors regarding aspects that may indicate deficiencies in the internal control system, censurable facts, observations on the Company's financial statement;
- the declaration of truthfulness and completeness of the information contained in corporate communications;
- the copy of the minutes of the meetings of the Board of Directors, the Board of Statutory Auditors.

The Company adopts specific dedicated information channels (dedicated phone lines or ad hoc mailboxes) in order to ensure the confidentiality mentioned above and facilitate the flow of reports and information to the Body.

The Company has also adopted two additional reporting channels, as provided for by art 6. paragraph 2-bis of Legislative Decree 231 of 2001, suitable for ensuring, with methods not only electronic, the confidentiality of the identity of the reporter. These channels are:

⁷ Introduced by the so-called "Whistleblowing Bill" of November 15, 2017.



1. Online form completed by the reporting party within the company intranet (<https://segnalazioni.pagani.com/>). The recipients of the report can alternatively be the HR Function or the Company Management, with a copy for information to the Supervisory Body.
2. Two mailboxes installed at the Company's premises, addressed one to the Head of the HR Function, and the other to the Company Management.

The Supervisory Body evaluates the reports received with discretion and responsibility. For this purpose, it may listen to the report's author and/or the person responsible for the alleged violation, providing a written explanation for any independent decision not to proceed. In any case, whistleblowers acting in good faith will be protected from any form of retaliation or penalty and will be assured maximum confidentiality, subject to legal obligations and the need to protect the Company or individuals falsely or maliciously accused.

To this end, the Company has established the prohibition of retaliatory or discriminatory acts, direct or indirect, against the whistleblower for reasons connected, directly or indirectly, to the report.

In any case, any retaliatory or discriminatory measures and dismissal adopted against the whistleblower for reasons directly or indirectly connected to the report are void.

4.7.2 Information obligations of the Supervisory Body

Notwithstanding that the responsibility to adopt and effectively implement the Model remains with the Company's Board of Directors, the Supervisory Body reports on the implementation of the Model and the occurrence of any issues.

In particular, the Supervisory Body is responsible to the Board of Directors for:

- a) communicate, at the beginning of each fiscal year, the plan of activities to be carried out in order to fulfill the assigned tasks. This plan will be approved by the Board of Directors itself;
- b) periodically report the progress of the program along with any changes made to it;
- c) promptly communicate any issues related to activities, where relevant;
- d) report at least semi-annually regarding the implementation of the Model.

The Supervisory Body will be required to report periodically, not only to the Board of Directors, but also to the Board of Statutory Auditors regarding its activities.

The Body may request to be convened by the aforementioned entities to report on the functioning of the Model or specific situations. Meetings with the social bodies to which the Supervisory Body reports must be recorded. A copy of these minutes will be kept by the Supervisory Body and the entities involved from time to time.

Notwithstanding the above, the Supervisory Body may also communicate, by evaluating individual circumstances:

- (i) the results of its investigations to the heads of functions and/or processes if activities reveal aspects susceptible to improvement. In this case, it will be necessary for the Supervisory Body to obtain from the process managers an action plan, with the relative timeline, for implementing activities susceptible to improvement as well as the outcome of such implementation;
- (ii) report to the Board of Directors and the Board of Statutory Auditors behaviors/actions not in line with the Model in order to:
 - a) acquire from the Board of Directors all the elements to make any communications to the structures responsible for the evaluation and application of disciplinary sanctions;
 - b) provide guidance for the removal of deficiencies to prevent recurrence of the event.

The Body, finally, is obliged to immediately inform the Board of Statutory Auditors if the violation concerns members of the Board of Directors.



5. SANCTIONING SYSTEM FOR NON-COMPLIANCE WITH THIS MODEL AND THE RULES-PROVISIONS REFERRED TO HEREIN

5.1 GENERAL PRINCIPLES

Pagani acknowledges and states that the establishment of an adequate sanctioning system for the violation of the rules contained in the Model, its related Annexes, and Procedures is an essential condition to ensure the effectiveness of the Model itself.

In this regard, indeed, Article 6 paragraph 2, letter e), of the Decree provides that organizational and management models must “*introduce a disciplinary system suitable to sanction non-compliance with the measures indicated in the model*”.

The application of disciplinary sanctions is independent of the outcome of any criminal proceedings, as the conduct rules imposed by the Model and Procedures are adopted by the Company in full autonomy and irrespective of the type of crimes under Legislative Decree No.

231 of 2001 that the violations in question may cause.

More precisely, the failure to observe the rules contained in the Model and Procedures damages, in fact, by itself alone, the trust relationship in place with the Company and leads to disciplinary actions regardless of the potential initiation of criminal proceedings in cases where the violation constitutes a criminal offense. This also in respect of the principles of timeliness and immediacy of the disciplinary contestation and the imposition of sanctions, in compliance with current legal regulations.

The Company also imposes sanctions against those who violate the whistleblower protection measures (as described in paragraph 4.7 of this document), as well as those who make reports with willful misconduct or gross negligence that turn out to be unfounded.

5.2 DEFINITION OF “VIOLATION” FOR THE PURPOSES OF THE OPERATION OF THIS SANCTIONING SYSTEM

Purely for general and illustrative purposes, it constitutes a “**Violation**” of this Model and the related Procedures:

- the implementation of actions or behaviors that do not comply with the law and the prescriptions contained in the Model itself and in the related Procedures, which result in a mere risk situation of committing one of the offenses contemplated by Legislative Decree no. 231 of 2001;
- the omission of actions or behaviors prescribed in the Model and the related Procedures that result in a mere risk situation of committing one of the offenses contemplated by Legislative Decree no. 231 of 2001.

5.3 SANCTIONS FOR EMPLOYEES

5.3.1 Non-managerial staff

The behaviors of employees that violate the rules contained in this Model and in the Company Procedures are defined as *disciplinary offenses*.

With reference to the type of sanctions that can be imposed on these employees, they fall within those provided by the National Collective Labor Agreement for Workers in the small and medium-sized Mechanical industry and the installation of plants (hereinafter, for brevity, the “CCNL”), in compliance with the procedures provided by article 7 of Law no. 300 of 1970 (hereinafter, for brevity, the “**Workers’ Statute**”) and any applicable special regulations.

Violation by the employees, pursuant to the previous paragraph 5.2 of this Model, may result, depending on the severity of the Violation itself, in the following measures, which are established in accordance with the principles of proportionality, as well as the criteria of correlation between infraction and sanction, and, in any case, in compliance with the form and procedures provided by the current legislation.

Subject to, in any case, what is indicated in the Disciplinary System used by Pagani S.p.A., the following disciplinary measures apply:

- a) Verbal reprimand;
- b) Written reprimand;
- c) Fine not exceeding the amount of three hours of total pay;
- d) Suspension from service and pay for a period not exceeding three days;
- e) Termination.

The disciplinary system is constantly monitored by the Supervisory Body and the Human Resources Function.



5.3.2 Executives

In the case of: (a) Violation pursuant to the previous paragraph 5.2, or (b) adoption, in conducting activities in Crime Risk Areas, of behavior not compliant with the provisions of the aforementioned documents, by executives, the most appropriate disciplinary measures will be applied against those responsible in accordance with the provisions of the National Collective Labor Agreement for Executives.

5.4 ADMINISTRATORS

In the event of a breach of the rules as outlined in the previous paragraph 5.2 by one or more of Pagani's Directors, the Supervisory Body will promptly inform the Board of Directors and the Board of Auditors of the Company for appropriate evaluations and measures.

In the event that one or more of the Directors have been committed for trial, alleged perpetrators of the crime from which the Company's administrative liability stems, the Chairman of Pagani's Board of Directors (or, in his place, the other Director) must convene the Shareholders' Meeting to deliberate on revoking the mandate.

5.5 AUDITORS

In the event of a breach of the rules referred to in paragraph 5.2 by one or more members of the Board of Statutory Auditors, the Supervisory Body informs the Board of Directors and the same Board of Statutory Auditors, and at the request of the Chairman of the Board of Directors, the Shareholders' Meeting will be convened to take appropriate measures.

5.6 THIRD PARTIES: COLLABORATORS, AGENTS, AND EXTERNAL CONSULTANTS

In the event of a violation of the rules referred to in the previous paragraph 5.2 by employees, agents, or external consultants, or more generally by Third Parties, the Company, depending on the severity of the violation: (i) will remind those concerned to strictly adhere to the provisions specified therein; or (ii) will have the right, based on different contractual types, to withdraw from the current relationship for just cause or to terminate the contract due to non-compliance by the aforementioned parties.

To this end, the Company has arranged for the inclusion of specific clauses in the same that provide for: (a) the notice to Third Parties of Pagani's adoption of the Model and the Code of Ethics, which they declare to have reviewed, committing to respect its contents and refrain from any conduct that may result in a breach of the law, the Model, or the commission of any Predicate Offenses; (b) the Company's right to withdraw from the relationship or terminate the contract (with or without penalties), in case of non-compliance with these obligations.

5.7 REGISTER

The Company adopts a register in which it must record all those who have committed a Violation according to paragraph 5.2 above. Registration in this register implies a prohibition on establishing new contractual relationships with the same parties.