

ISAGRO S.p.A.

ORGANISATION, MANAGEMENT AND CONTROL MODEL

(PURSUANT TO LEGISLATIVE DECREE no. 231 of 8 JUNE 2001)

(Document approved in its updated version by the
Board of Directors of Isagro S.p.A.
with resolution of September 5th, 2018)

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*The original version of this Model is in Italian and has been translated into English for circulation purposes.
In case of differences between the two versions, the Italian one will apply.*

The Attachments and the Special Section are available at the registered office

DOCUMENT INFORMATION

VERSION	DATE OF THE BOARD OF DIRECTORS APPROVAL	NOTES ON THE DOCUMENT AND SYNTHETIC DESCRIPTION OF THE MODIFICATIONS
1	March 22 th , 2006	First adoption of the "Organisation, Management and Control Model" pursuant to Legislative Decree 8 June 2001 no. 231.
2	December 19 th , 2007	Update of the Model with specific reference to the areas at risk of committing Offences against the Public Administration (articles 24 and 25).
3	August 28 th , 2008	Update of the Model following the introduction of these new offences: Corporate Offences (article 25-ter), Occupational health and safety Offences (article 25-septies), Offences of receiving stolen goods, money laundering assets and utility of illicit origin (so-called Offences on money laundering) (article 25-octies), Computer Crime Offences (article 24 bis), Market Abuse Offences (art 25 sexies).
4	May 11 th , 2011	Update of the Model following the introduction of these new offences: Counterfeiting of trademarks, patents and logos Offences (article 25-bis), Industrial and Commercial Offences (article 25-bis.1), Copyright Offences (article 25-novies).
5	August 2 nd , 2012	Update of the Model following the introduction of Environmental Offences (article 25-undecies).
6	November 12 th , 2013	Update of the Model following the introduction of these new offences: Employment of citizens of third-countries whose stay is irregular (article 25-duodecies), Corruption between private individuals (letter s-bis of article 25-ter, paragraph 1), reform of the Offences against the Public Administration with the introduction of the new crime of Induction to give or promise benefits (amendment of article 25 paragraph 3). Modifications to the Model to reflect the merger by incorporation of Isagro Ricerca S.r.l. in Isagro S.p.A ..
7	May 16 th , 2016	Update of the Model following the introduction of these new offences: new cases concerning Environmental Offences (article 25-undecies), of Corporate Offences (for amendments to paragraph 1 lett. a), a-bis) and b) of article 25-ter) as well as the self-money laundering offences (article 25-octies). The Model was also updated to reflect the organizational changes and the changes to the system of powers and proxies and to the set of corporate procedures. Moreover it was finally aligned with the best practices of reference - in particular to "Confindustria Guidelines" - in order to ensure an easier use.
8	September 5 th , 2018	Update of the Model following the introduction of these new offences: Offences of illegal brokering and exploitation of labor (article 25-quinquies), Offences relating to illegal immigration (article 25-duodecies), Racism and xenophobia, (art. 25-terdecies), amendments to Corruption offences between private individuals and incitement to corruption between private individuals (article 25-ter), new prescriptions on whistleblowing.

DEFINITIONS

“Assignment”	the internal document assigning roles and duties within the corporate organisation.
“CCNL”	National Collective Bargaining Agreement.
“Company”	Isagro S.p.A., tax code and Milan (MI) Register of Companies registration no. 09497920158, Economic and Administrative Register no. 1300947.
“Decree”	Legislative Decree no. 231 of 8 June 2001 and subsequent amendments thereto.
“Governing Body”	Isagro S.p.A. Board of Directors.
“Group Companies”	all companies in the Group headed by Isagro S.p.A., the Parent Company pursuant to article 2359 of the Italian Civil Code.
“Model”	the Organisation, Management and Control model.
“Offences”	the types of offence contemplated by the Decree.
“Proxy”	the legal transaction whereby the Company assigns powers of representation to third parties.
“Recipients”	all persons to whom the Model is addressed, and in particular: corporate bodies and their members, employees, suppliers, contractors, agents and distributors of the Company, advisors, project workers and temporary workers involved in Sensitive Processes, together with members of the Supervisory Body not pertaining to the aforementioned categories.
“SB”	the Supervisory Body envisaged in the Decree.
“Sensitive Process(es)”	a series of corporate actions and transactions organised for the purpose of pursuing a certain goal or for managing a certain business segment of Isagro S.p.A. in areas potentially at risk of the commission of one or more Offences covered by the Decree as listed in the Special Section of the Model, indicated both generically and overall as area(s) at risk.
“Sensitive Transaction”	a series of particularly significant actions taken by Isagro S.p.A. as part of Sensitive Processes.
“Relevant Phase(s)”	the phase(s) taken as part of a Sensitive Process which could potentially give rise to a situation allowing one or more Offences envisaged in the Decree, as identified in the Special Section of the Model.

INTRODUCTION

Isagro S.p.A. is a Company listed on the Milan Stock Exchange – STAR segment, the corporate purpose of which is the research, development, production, sale and distribution in Italy and abroad of pharmaceuticals, both proprietary and belonging to third parties, for use in agriculture (crop protection products).

Isagro S.p.A. is the parent Company of a multinational Group. For details illustrating the control structure of the Isagro Group refer to that reported in the website www.isagro.com.

At its meeting of 22 March 2006, the Board of Directors of Isagro S.p.A. (hereinafter the “Company” or “Isagro”) approved the “Organisation, Management and Control Model” pursuant to Legislative Decree no. 231 of 8 June 2001, which includes the “Regulation of administrative liability of legal persons, Companies and associations including entities without legal status as established by article 11, Law no. 300 of 29 September 2000”.

On adoption of the Model the Board of Directors appointed a specific body called the Supervisory Body, to which it entrusted the tasks of supervision and control required under the terms of the Decree.

Subsequently, the Company - following internal organizational changes and modifications in the regulatory framework of reference - gradually integrated its risk assessment and then updated the Model, with resolutions approved by the Board of Directors on 19 December 2007, 28 August 2008, 11 May 2011, 2 August 2012, 12 November 2013, 16 May 2016 and 5 September 2018.

This document is composed of a General Section and a Special Section.

The General Section provides a summary of the contents of the Decree, defines the Supervisory Body, its assigned duties and powers and outlines the related information flow and Disciplinary System adopted by the Company.

The Special Section provides a specific description of Sensitive Processes, measures and protocols established by the Company to prevent the risk of commission of the following offences:

- Offences against Public Administration;
- Corporate Offences (including corruption between private individuals) and relating to market abuse;
- Receiving stolen goods, money laundering, assets and utilities as well as self-money laundering;
- Occupational health and safety Offences;
- Computer Crime Offences;
- Organized Crime Offences;
- Counterfeit of trademarks, patents and logos Offences;
- Industrial and Commercial Offences;
- Copyright Offences;

- Environmental Offences;
- Employment of citizens of third countries whose stay is illegal;
- Offences against individual personality.

The risk assessment documents and the Attachments referred to from time to time in this document are considered an integral part of the Model.

GENERAL SECTION

GENERAL SECTION

1. LEGISLATIVE DECREE No. 231/2001

1.1 Essential features and scope of application

On entry into force of Legislative Decree no. 231 of 8 June 2001, criminal liability of entities (formally known as “administrative” liability) was introduced to Italian law.

Italian law thus complied with a series of European Union and international measures which demanded greater liability of companies involved in the commission of certain types of criminal offence.

The legislation in question provides for the liability of entities, together with that of the natural persons actually committing the offence. Such liability occurs when certain Offences are committed in the interest or to the advantage of the entity, in Italy or abroad, by:

- persons with representative, administrative or managerial positions in the Company or in one of its organisational units, with financial and functional independence, and by persons who exercised factio management and control functions (the senior management);
- persons under the direction or supervision of a member of senior management.

In accordance with the Decree, the legislation targets entities with legal status, together with companies and associations, with or without legal status. The scope of the Decree expressly excludes the State, local Public Entities, other non-economic Public Entities and entities with systemically important/constitutional functions.

The Decree applies to Offences committed both in Italy and abroad, provided that the Company has its registered office in Italy and that the country where the offence was committed takes no related legal action.

The liability of the entity only arises in the case of the Offences which are explicitly listed in the Decree and its subsequent amendments as well as in laws that expressly refer to the regulations of the Decree (the so-called Predicate Offences or “Offences”).

The limit of applicability of the Decree to only Predicate Offences is logical and understandable: it would not be logical to punish an entity for the commission of Offences which are not linked to its activities and which are solely derived from the decisions or interests of the person committing them. These are categories of Offences that are highly different: some are typical and exclusive to corporate activities while others normally are not related to actual Company operations but are typical of organized crime.

The listing of Offences was subsequently expanded from the original version contained in the Decree of Offences against the Public Administration.

The offences which are relevant for the purposes of the Decree and which therefore involve, if ascertained, a liability for the legal person, are as follows:

- Articles 24 and 25) Offences committed in the course of relations with the Public Administration [Articles 24 and 25 of Legislative Decree no. 231/2001 and its subsequent amendments]
- Art. 24 bis) Cybercrimes and illegal handling of data (Law 48/2008)
- Art. 24-ter) Organised Crime Offences [Article added by Law Decree no. 94 of 15 July 2009, Art. 2.29 and its subsequent amendments]
- Art. 25 bis) Counterfeiting currency [Article added by Law Decree no. 350 of 25 September 2001, [Article 6 of Law Decree converted with amendments by law no. 409 of 23/11/2001; amended by law no. 99 of 23/07/09]
- Article 25-bis.1 Offences in restraint of trade and industry [Article added by law no. 99 of 23/07/09]
- Art. 25-ter) Corporate Offences [introduced by Leg. Decree 231/2001 and its subsequent amendments]
- Art. 25-quarter) Offences pertaining to terrorism and subversion of the democratic order contemplated in the Italian Penal Code and special laws, and offences involving the violation of Article 2 of the International Convention for the Suppression of the Financing of Terrorism, signed in New York on 9 December 1999
- Article 25-quater 1) Female genital mutilation (Law 7/2006)
- Article 25-quinques) Offences against the person
- Article 25-sexies) Market abuse Offences
- Article 25-septies) Manslaughter (Article 589 of the Italian Penal Code) and serious or very serious negligent injury (Article 590 of the Italian Penal Code), committed as a result of violations of accident-prevention and occupational health and safety regulations (Law 123/2007)
- Article 25-octies) Receiving, laundering and using money, assets and profits obtained illegally, and also self-laundering [Article added by Legislative Decree 231/2007 and its subsequent amendments]
- Article 25-novies) Offences in breach of intellectual property rights [Article added by law no. 99 of 23/07/09]
- Article 25-decies) Inducement to refrain from rendering testimony or rendering false testimony before judicial authorities [Article added by Law 116 of 3 August 2009, Article 4 and renumbered by Legislative Decree no. 121, Art. 2]
- Article 25-undecies) Environmental Offences [Article added by Legislative Decree no. 121 of 7 July 2011, Article 2, and its subsequent amendments]

- Article 25-duodecims Employment of illegally staying third-country nationals [Article added by Legislative Decree no. 109 of 16 July 2012 and amended by Law 161/2017]
- Article 25-tercims Racism and xenophobia [Article added by Law 167.2017]
- Law no. 146/2006: Transnational organised crime (offence pursuant to Legislative Decree no. 231 not included in the body of the Decree in question).

1.2 The Organisational Model as a form of exemption from liability

The Decree also states the conditions on the basis of which the offence cannot be applied to the entity: if - prior to the commission of the offence - it has adopted and effectively implemented an "Organisation, Management and Control Model" (the Model) which is suitable to prevent the commission of the Offences in question.

If one analyses the positive side of these regulations, it is possible to conclude that the entity is only liable for the offence in the case of a failure to adopt the Model or non-compliance with strict standards pertaining to its organization and the implementation of its operations: problems caused by an incorrect corporate police or structural issues. Given that the entity cannot express an intention to commit a crime, its representatives, directors or its organization will express the intention and implement a liable participation in the offence.

The Decree establishes that a Company shall not be liable for Offences committed by "senior management", if it demonstrates:

- that it adopted and effectively implemented the Organisation and Management Models intended to prevent this type of offence before the offence was actually committed;
- that it entrusted the task of supervising the operation of and compliance with the models and their updating to a body endowed with autonomous powers of initiative and control;
- that the persons committed the offence by fraudulently circumventing the aforementioned organisation and management models;
- the aforementioned body is not guilty of inexistent/insufficient supervision.

For Offences committed by persons not classed as senior management, the Company is liable only when commission of the crime was possible due to non-compliance with management and supervisory requirements. In any event, failure to comply with management and supervisory requirements is excluded if, before commission of the crime, the Company adopted and effectively implemented an organisation, management and control model to prevent Offences of this type.

With regard to the suitability of the Model, the Decree requires it to have the following minimum content:

- it must specify the organizational activities of the Company where Offences may be committed;

- it must include specific protocols for planning training and the implementation of Company decisions for preventing Offences;
- it must identify modalities for managing financial resources that are suitable to prevent the commission of Offences;
- it must introduce a sanctioning system that is suitable for punishing any failure to comply with the model's provisions;
- it must include reporting obligations with respect to the Supervisory Body;
- in relation to the nature and size of the organization as well as the type of implemented activity, it must include measures that are suitable for guaranteeing the implementation of activities in accordance with the law as well as promptly eliminating situations of risk.

Furthermore, the Model must provide for:

- i. one or more channels enabling managers and subordinates to raise detailed disclosures of unlawful conducts pursuant to Legislative Decree no. 231/2001 and based on precise and congruous facts, or breaches of the Model of organisation and management of the Company, which they witnessed in the carrying out of their functions; such channels must assure confidentiality of the identity of the whistleblower in the management of the report;
- ii. at least one alternative reporting channel suitable to assure, through IT means, the confidentiality of the identity of the whistleblower;
- iii. prohibition against retaliation or discriminatory acts, whether direct or indirect, towards the whistleblower for reasons, directly or indirectly, connected to the report;
- iv. within the disciplinary system adopted (indicated at the previous letter d), sanctions against those infringing the measures for the protection of the whistleblower, as well as those making, maliciously or negligently, disclosures that turn out to be unfounded.

The Decree establishes that in order to satisfy the aforementioned requirements, companies may adopt organisation and management models “on the basis of codes of conduct drawn up by the associations representing such companies, notified to the Ministry of Justice which, in agreement with the competent ministries, has thirty days to comment on the suitability of the models to prevent the Offences”.

In compliance with this provision, Isagro S.p.A. based its preparation of this Model on the Guidelines issued by Confindustria in its updated version of March 2014.

It is important to note, however, that such guidelines are a simple framework reference on which each Company may elaborate for the purposes of adopting the Model. They are recommendations that the Company can opt to follow when preparing its Model. Each Company must in fact adapt the guidelines to its actual context and, thus, to its size and its specific business activities, and consequently choose the technical methods for adoption of the Model.

Moreover, with specific reference to occupational health and safety, note that article 30, Legislative Decree no. 81 of 9 April 2008, establishes the prerequisites that an organisation, management and control model considered effective in providing exemption from corporate administrative liability under the terms of the Decree must possess.

1.3 The penalty system

The Decree states that for the Offences described above, fines and prohibitory sanctions, publication of the sentence and confiscation of the value or gains from the offence may be imposed upon entities.

Fines are applied whenever an entity commits one of the Offences covered by the Decree. They are applied in unit values of a number not less than one hundred and not more than one thousand (the value of one unit is a minimum € 258.22 to a maximum € 1,549.37) and can vary from a minimum of € 25,822.00 to a maximum € 1,549,370.00. For the purposes of quantifying the unit values, the judge must take into consideration:

- the seriousness of the offence;
- the degree of corporate liability;
- the entity's action to eliminate or mitigate the circumstances and prevent the commission of further Offences.

The amount of each unit is instead established on the basis of the entity's economic and financial position. In certain cases the fine may also be reduced.

Prohibitory sanctions may only be applied in relation to Offences for which they are expressly envisaged in the Decree, if at least one of the following conditions is met:

- the entity achieved a significant gain from the offence and the offence was committed by top managers, or by persons subject to third-party management when the offence was committed or facilitated by serious organisational shortcomings;
- in the event of repeated Offences.

The prohibitory sanctions applicable to entities pursuant to the Decree are:

- debarment from carrying out the activity with subsequent suspension or cancellation of authorisations, licences or permits required for its execution;
- the suspension or cancellation of authorisations, licences or permits instrumental to commission of the offence;
- a ban on entering into contracts with Public Administration, except to request provision of a public service;
- exclusion from incentives, funding, grants or subsidies and the possible cancellation of any already granted;

- a ban on advertising goods or services.

The type and duration (which may vary from three months to two years) of prohibitory sanctions are established by the judge on the basis of the criteria indicated for quantifying fines. Under the Decree, moreover, it is possible to apply certain permanent sanctions (thus exceeding the maximum two-year limit) where the events are considered particularly serious by the legislator. If necessary, the prohibitory sanctions may also be applied under joint liability.

Instead of applying the prohibitory sanction suspending the entity's business activities, the judge may allow business to continue under a court-appointed commissioner for a period equal to the duration of the prohibitory sanction that would have applied, if at least one of the following conditions is met:

- the entity provides a public service or a service of public necessity whose interruption could seriously harm the community;
- interruption of the entity's business could have significant repercussions on employment, taking into consideration its size and the economic conditions of the area in which it is located.

In the event of non-compliance with the debarment penalties, punishment may be imprisonment from 6 (six) months to 3 (three) years for anyone who, in carrying out the business of the debarred Company, violates the related obligations or bans.

In this case, an administrative fine in the range of 200 to 600 units and confiscation of the gains will be imposed upon the Company involved or benefiting from the offence.

If serious evidence exists to imply that the Company is responsible for a criminal act deriving from an offence and there are well-grounded reasons and specific elements to consider that similar Offences may be committed, the aforementioned prohibitory sanctions may be imposed as a precautionary measure.

In addition to the aforementioned sanctions, the Decree establishes that conviction is always accompanied by confiscation of the value or gains from the offence and publication of the sentence if a prohibitory sanction is imposed on the entity.

1.4 Listing in the STAR Segment of Borsa Italiana

Among the corporate governance requirements to obtain STAR status, article 2.2.3 paragraph k) of the Rules for markets organised and managed by Borsa Italiana S.p.A. included the adoption of an Organisation, Management and Control model as envisaged in article 6 of the Decree.

Article IA.2.10.1 of the Instructions for the Rules for markets organised and managed by Borsa Italiana S.p.A. specifies that in order to obtain Star qualification the issuer must provide Borsa Italiana with an application signed by the legal representative, attaching a declaration signed by the representative and "certifying that an Organisation, Management and Control Model pursuant to article 6 of Legislative Decree 231/2001 has been adopted, describing the composition of the Supervisory Body or specifications of the equivalent body".

Moreover, pursuant to paragraph 3 of article IA.2.10.1 of the *Instruction for the Rules for markets organised and managed by Borsa Italiana S.p.A.*, the issuer must promptly inform Borsa Italiana of any changes in the information contained in the documentation attached to the application.

Lastly, pursuant to article IA.2.10.2 of the aforementioned Instructions for the Rules and taking into consideration the frequency indicated in article IA.4.2.3, paragraph 4, the issuer must provide Borsa Italiana with a certificate confirming adoption of the Organisation, Management and Control Model pursuant to article 6, Legislative Decree 231/2001.

2. THE METHODOLOGICAL APPROACH ADOPTED

2.1 The approach adopted to update the Model

This Model, inspired by the Guidelines pursuant to Leg. Decree no. 231 of 8 June 2011 and proposed by Confindustria, was drafted by taking into account the structures and activities which were effectively implemented by the Company as well as the nature and size of its organization.

This Model is the result of subsequent updating and supplementation activities deriving from the need to progressively adjust its contents with developments in the regulatory framework of reference following the insertion - within the body of the Decree, and on the part of the legislator - of new cases of predicate Offences. The updating of the Model as well as the activities that relate to its preparation (first of all, risk analysis and assessment activities) also became opportune following changes to its organizational nature and which, during the course of the years, have affected the Company.

The process and methodological approach which were followed in relation to each operation of updating of the Model are activities whose structure is summarized below.

The Company has proceeded with a preliminary analysis of its environmental context and subsequently with an analysis of the areas of activity that have risk profiles in relation to the Offences specified in the Decree and considered applicable for Isagro.

In particular, the following were analysed by way of example and not in an exhaustive manner:

- the history of the Company and its context of operations;
- the sector of operations;
- the organizational structure (formalized in organizational charts, service orders, etc.);
- the existing corporate governance system;
- the proxy system;
- the legal relations existing with third parties, even with reference to service contracts that regulate intragroup relations;
- the typical modalities for conducting business;

- the type of relations and activities (e.g. commercial, financial, auditing, regulatory, representative, collective contracting, etc..) that are implemented with public administrations;
- cases of potential and presumed irregularities in the past;
- practices and procedures that are formalized and spread within the Company for the implementation of Company activities.

The Company proceeded with implementing preventing activities pertaining to Control and Risk Self-Assessment (henceforth, "CRSA").

CRSA activities were implemented and coordinated by a project team composed of internal reference staff members of the Company (coordinated by internal audit department) as well as external consultants; these activities directly involved the management of the Company.

On the basis of a preliminary analysis, the Company departments whose activities have potential risk profiles in relation to the commission of the identified Offences were identified as well as any parties which are part of these departments and who are key officers; this was implemented in order to conduct interviews in the subsequent investigational phase.

For the purposes of the preparation of this document, the Company therefore proceeded - by means of interviews with key officers and documentary analysis - with:

- identifying Sensitive Activities or the areas where it is deemed possible that the Offences outlined in the Decree could be committed and which are deemed applicable for Isagro in addition to the possible modalities by which the Offences could be committed;
- identifying the operational modalities for executing the Sensitive Processes as well the affected parties and the system for allocating responsibilities;
- self-assessing the profile of risk of commission of an offence and of an internal control system which is suitable for preventing potentially illegal behaviours;
- identifying adequate control measures which are needed to prevent the aforementioned Offences or to mitigate the risk of their being committed;
- identifying potential defects and/or areas of improvement of these control measures.

At the time of the CRSA, the optimal control system for each Sensitive Process was analysed by comparing it to the "optimal" control system inferred from the Decree and the Confindustria Guidelines as well as by current best practices (the so-called gap analysis).

This phase involved assessing the improvements necessary to reduce the gaps reported to a level considered reasonable, based on cost-benefit analysis. This took into account gap-related costs, including organisational costs, on the one hand and, on the other, the actual benefits considering the real risk of Offences being committed.

This activity was guided by the following purposes:

- reducing the possibility of commission of the Offences subject to this risk assessment;
- documenting and therefore rendering auditable each activity that is relevant for the purposes of the Decree.

For each criticality/gap reported it was therefore possible to identify:

- an action plan (or the measures needed to reduce or close the gap);
- the person responsible for executing the measures identified;
- the completion deadline/progress status for the action plan.

These elements were formalised in the document named "action plan".

With reference to Offences pertaining to workplace health and safety, as well as environmental Offences, the risk assessment activities that were specifically implemented - also in compliance with the regulatory specifications of reference for the underlying processes - are outlined below.

2.2 Risk assessment in reference to occupational health and safety

With specific reference to the analyses and assessments carried out in relation to occupational health and safety, by its very nature an issue affecting every corporate area and activity, attention focused on what can be defined as the process of "risk management in relation to occupational health and safety".

The analyses were carried out with the aim of:

1. taking into consideration the current status of the worker protection and accident prevention procedure;
2. reporting areas with shortcomings and aspects for improvement, with respect to the action necessary for the purposes of coming into line with relevant occupational health and safety regulations (pursuant to Legislative Decree 81/2008 and subsequent amendments) and best practices in the sector;
3. preparing a document outlining the gap analysis - action plan.

To this end, the performance standards for the assessment activities were:

- ISO standard 19011:2003;
- "Guidelines for the performance of inspections on safety management systems in facilities at risk from significant accidents" (Attachment H – article 27 of Legislative Decree 105/2015).

In relation to regulatory and technical benchmark standards, the activities were based on the following sources:

- current occupational health and safety regulations;
- "Guidelines for the performance of inspections on safety management systems "; in plants at risk of major accidents (Annex B - Article 14 of Decree Law 105/2015);
- BS OHSAS 18001:2007 / ISO UNI 45001:2018.

The tests were carried out by means of document analysis (for example, the following were analysed: the safety organisation chart, job descriptions, document analysis and assessment, significant occupational health and safety procedures, instructions and service orders) and by performing inspections at the most significant production plants and at the Company's head office. There was also provision for the direct involvement, through interviews, of the Key Officers in the field of safety identified from the action taken.

During the analyses and assessments conducted, the following aspects and elements of the occupational health and safety management and control system were taken into consideration:

- safety policy;
- safety officers, roles, tasks and responsibilities;
- planning of the identification of dangers and risk assessment;
- risk assessment documentation;
- management and procedural elements;
- control measures for significant accidents (if applicable);
- inspections in the workplace;
- operational aspects;
- information, education and training;
- management, control and filing of documentation;
- operational control;
- fire prevention certificate;
- preparation for and response to emergencies;
- personal injury, accidents and non-conformity;
- reporting and recording.

In particular, gap analysis activities were guided by the following key aims:

- reducing the possibility of the risk assessment-related Offences being committed;
- ensuring a good balance between the controls performed, a linear decision-making process and workload;
- documenting and thus making controllable every significant activity for the purposes of the Decree.

For each criticality/gap reported it was therefore possible to identify:

- an action plan (or the measures necessary to reduce or eliminate the gap);
- the priority level of the gap/action plan;
- the persons responsible for executing the measures identified;
- the completion deadline/progress status for the action plan.

These elements were formalised in a document named “action plan” and refer to the gaps and the actions proving necessary from the risk assessment activity described above.

2.3 Risk assessment in reference to the environment

With specific reference to the analyses and assessments carried out in relation to environmental Offences attention focused on the laws and regulatory decrees which, if violated, can lead to commission of the offence referred to in article 25-undecies of Legislative Decree 231/2001 (updated to Law no. 68 of 2015).

The analyses were carried out with the aim of:

1. verifying the Company’s current Environmental Management System and identifying areas of risk in relation to environmental issues covered by Legislative Decree 231/2001;
2. reporting areas with shortcomings and aspects for improvement, with respect to the action necessary for the purpose of coming into line with relevant environmental regulations and best practices on such matters;
3. preparing sensitive process assessment sheets for each Company department.

In relation to regulatory and technical reference standards activities were founded on the following sources:

- Legislative Decree 231/2001;
- Confindustria Guidelines;
- Legislative Decree 152/2006, and subsequent amendments (the “Environmental Code”);
- Italian Penal Code;
- Law 150/1992 (trading and detention of endangered species of fauna and flora);
- Law 549/1993 (ozone layer protection);
- Legislative Decree 202/2007 (ship-source pollution);
- International Standard ISO 14001: 2015;
- EMAS Regulations.

The analyses involved the following activities:

- Initial contact and issue of a special detailed checklist for preparation of the documentation and efficient audit performance.
- Phase 1 - Documentary audit: the documentation to be analysed included, for example:
 - projects subjected to Environmental Impact Assessment;
 - plants generating atmospheric emissions;
 - plants generating waste water discharge points;
 - special hazardous/non-hazardous waste;
 - presence of temporary waste deposits;
 - presence of underground tanks;
 - plants and infrastructures with noise emissions;
 - polluted sites and clean-ups in progress;
 - disposal of ozone-depleting substances;
 - technical and organisational prevention and protection measures.

- Phase 2 - Operations audit: site inspections of the major production plants and of the Company's head office.

Aspects and elements of the environmental management and control system were taken into consideration in the analyses and assessments carried out, including:

- general information;
- reference articles of the Italian Criminal Code;
- import and export of endangered species of animals;
- ship-source pollution;
- production, consumption, import, export, detention and marketing of dangerous substances;
- atmospheric emissions;
- water resource management;
- waste management;
- soil and subsoil;
- environment-related budget management.

In particular, the gap analysis activities were driven by the following aims:

- reduce the chance that Offences subject to risk assessment are committed;
- document and therefore control all relevant activities for the purpose of the Decree.

These elements were formalised in an audit report and are related, respectively, to the gaps and actions necessary as identified during the previously described risk assessment. In addition, and for each sensitive activity, an evaluation form was drafted in order to identify and evaluate the control protocols.

For each critical point/gap reported it was therefore possible to identify:

- a plan of action (i.e. action necessary to reduce or eliminate the gap);
- the priority level of the gap/plan of action;
- the person responsible for executing the action identified.

These elements were formalised in an action plan and are related, respectively, to the gaps and actions necessary as identified during the previously described risk assessment.

2.4 Updating of the Organisation, Management and Control Model

The risk assessment activities described above and related results were discussed with Management and with the Company's SB.

The process followed the analysis, diagnosis and planning phases and led to the preparation and updating of this Model and to the preliminary definition of its elements.

Within this Model, it was therefore possible to identify - in light of the results of the CRSA activities - the general principles of conduct and rules for prevention which must be implemented in order to prevent, to the extent that is reasonably possible, the commission of the Predicate Offences that are relevant to the Company.

For this purpose, the Company took into account the previously existing control and prevention tools which aimed to regulate corporate governance and identified at the time of the CRSA.

In particular, the results of the analyses which were previously implemented and described, and which are ascribable to the CRSA - including examples of potential modalities for committing crimes within Sensitive Processes, as well as the specific protocols identified by the Company - are contained or referred to within the documentation that reports the results of the CRSA. This documentation is part and parcel of this Model.

The documentation in digital and/or printed format that pertains to the Company, as well as the outputs produced during the different phases of the project, have been archived and made available within a specific archive that can be consulted by the members of the SB (henceforth, the "Archive").

3. THE ORGANISATION, MANAGEMENT AND CONTROL MODEL

3.1 Purpose and structure of the Model

The adoption of the Model aims to create a system of provisions and organisational tools for the purpose of:

- guaranteeing that Company activities fully comply with the Decree;
- preventing and penalising any attempt to introduce behaviour at risk of the commission of any type of offence established by the Decree.

Isagro S.p.A., as a Company listed on a regulated market, had already put into place the organisational and control tools required under current regulations for the protection of such values, formalised in structured ad hoc documents (codes of conduct, corporate policies, organisational procedures, etc.). However, in order to fully implement the Decree, such tools have been integrated with this Model, which is much wider-ranging given the goals it is designed to achieve.

The Model prepared by Isagro S.p.A. is therefore based on a structured and organic system of procedures and control mechanisms which basically:

- identifies the area(s)/process(es) possibly at risk in corporate activities, i.e. activities where the commission of Offences is considered most likely;
- defines an internal regulatory system for the prevention of Offences which, among other things, comprises:
 - a Code of Ethics expressing the commitments and ethical responsibilities in managing

- business and corporate activities to be adopted by employees, administrators and collaborators at various levels of the Company;
- a system of delegations, powers and powers of attorney for the signing of corporate documents which ensures a clear and transparent representation of the process of reaching and implementing decisions;
 - formalised procedures intended to regulate operational procedures in the areas at risk;
- is based on an organisational structure consistent with the corporate activities intended to drive and control correct conduct, guaranteeing a clear and organic assignment of duties, applying the proper segregation of roles, ensuring that the organisational structures intended are actually implemented through:
 - a formally defined, clear organisational chart appropriate to the activities to be carried out;
 - a system of delegation of internal roles and powers to represent the Company externally that ensures a clear and consistent segregation of roles;
 - identifies the management and control processes for financial resources in the activities at risk;
 - assigns SB with the task of supervising the operation of and compliance with the Model in addition to updating the latter.

Therefore the Model has the following objectives:

- improving the corporate governance system;
- establishing a structured and organic system of prevention and control to reduce the risk of commission of Offences related to corporate activities;
- ensuring that all those acting in the name and on behalf of Isagro S.p.A. in the “business areas at risk” are aware that should they violate the provisions herein, they may commit Offences punishable by penalties imposed on both the person committing the offence (civil, and in certain cases, criminal disciplinary action) and the Company (administrative liability as established by the Decree);
- informing those acting in any capacity in the name and on behalf of, or in any event in the interests of Isagro S.p.A. that violation of the limitations contained in the Model will entail the application of specific penalties or termination of the employment contract;
- stressing that Isagro S.p.A. does not tolerate illegal conduct of any nature, regardless of the reason, since such conduct (including cases where the Company is apparently in a position to benefit) is in any case contrary to the ethical principles that Isagro S.p.A. bases its actions on;
- firmly censuring any conduct in violation of the Model by inflicting disciplinary and/or contractual penalties;
- improving the Company’s Occupational Health and Safety Management System;
- improving its Environmental Management System.

The Model is composed of a General Section and a Special Section. The General Section describes elements of the Model valid for all areas at risk, whereas the Special Section indicates the individual Sensitive Processes and the specific protection measures considered appropriate to prevent the commission of Offences in the area of each Sensitive Process (Protocols).

The Attachments referred to in the text of the Model are considered an essential part of the Model.

3.2 Nature of the Model and relationship with the Group Code of Ethics

The limitations contained in this Model are integrated with those of the Code of Ethics of the Group (henceforth, the “Code of Ethics”) adopted on 10 November 2011 and updated on 14 November 2016 and on 5 September 2018 by the Company Board of Directors (Attachment A). These limitations are based on the principles of Group Code of Ethics, although the Model, for the purposes for which it is intended as implementation of provisions of the Decree, has a different scope compared to the Code.

The Code of Ethics is also adopted by the managing bodies of the companies of the Group.

From this point of view, in fact:

- the Code of Ethics is an instrument adopted autonomously which the Company can apply in general to express the adopted principles of “corporate ethics” that all Recipients are called upon to respect;
- the Model, however, responds to the specific needs of the Decree and is intended to prevent the commission of certain types of offence for actions which, despite being committed seemingly to the benefit or in the interest of the Company, can give rise to an administrative liability based on the provisions of the Decree.

The Companies of the Group adopt the guidelines containing the principles of behaviour which are illustrated in the Code of Ethics by means of a specific approval on the part of the local managing body.

The Companies of the Group appoint a General Manager who serves as a reference contact for Isagro S.p.A. in order to guarantee:

- the application of the Code of Ethics within the individual Companies of the Group which are called upon to incorporate the general principles of behaviour and compliance that are defined by the parent Company given that they are part of the Isagro Group;
- the adoption of procedures and the implementation of compliance programs at a local level, in accordance with the norms pursuant to the individual companies of operation.

Finally, it should be noted that - for all that which is not explicitly provided for by the provisions contained within the Model and by the Company procedures that were previously referenced - the provisions contained in this Code of Ethics will be applicable. In the case that any of the principles of the Code of Ethics is in conflict with the provisions contained within internal regulations or Company procedures, the Code of Ethics will take precedence.

3.3 Recipients of the Model

The limitations of the Model are addressed to the corporate bodies and their members, employees, suppliers, contractors, Company agents and distributors, advisors, project-based contractors and temporary employees involved in Sensitive Processes, and to any members of the Supervisory Body not pertaining to the categories mentioned above.

The persons to whom the Model is addressed must comply precisely with its provisions, including fulfilling their duties of loyalty, fairness and diligence implicit in their legal relations with the Company.

The Company condemns any conduct not compliant with the law or the provisions of the Model, even when such conduct is in the interests of the Company or with the intention of procuring an advantage for the Company.

3.4 Adoption, amendments and supplements to the Model

Under the Decree, it is the Governing Body that adopts the Model, leaving to each entity the responsibility of identifying the body within its organisation to which the task should be assigned.

In compliance with the *Confindustria Guidelines*, Isagro S.p.A. identified its Board of Directors as the Governing Body required to adopt the Model. However, as provided by the Decree, the task of supervising the effective implementation of the Model was entrusted to the Supervisory Body.

Consequently since this is a “*document issued by the Governing Body*” (in compliance with the provisions of article 6, paragraph 1 a) of the Decree) any substantial subsequent amendments and supplements hereto are also the responsibility of the Board of Directors.

Substantial amendments to the Model include, for example:

- addition of further Special Sections to this document;
- repeal of certain parts of this document;
- amendments to the duties of the SB;
- identification of an SB other than that currently envisaged;
- updating/amendment/supplement to the control principles and rules of conduct.

The Chairman and CEO may also make any amendments or supplements to this document of an exclusively formal nature, provided that the substantive contents remain unchanged. They may also make any supplements, amendments and updates to the Attachments.

Such amendments or supplements must be promptly notified to the Board of Directors and to the SB.

4. SUPERVISORY BODY

4.1 Identification of the SB

On the basis of the Decree, the body with the task of supervising the operation of and compliance with the Model must be equipped with independent powers of initiative and control. In accordance with this requirement and indications contained in the Confindustria Guidelines, the Governing Body of Isagro S.p.A. deemed it opportune to set up a corporate body to act as SB. Specifically, membership of the corporate body must be as follows:

- an external consultant (Lawyer. - external Auditor) - Chairman
- an external consultant (with accounting and financial knowledge as well as of the business of reference)
- the Internal Auditing Manager

Considerations formulated in the light of the type and specific characteristics of the Company suggested that the best format for the SB is that of a corporate board so as to ensure complete professionalism, experience and on-going action.

In order to fully comply with the requirements of the Decree, the SB as identified above is a body which reports directly to the Company senior management (Board of Directors) and is not linked to the operating departments by any hierarchical connection, thereby guaranteeing full autonomy and independence in performing its duties.

The activities performed by the SB cannot be challenged by any other corporate body or department, while the Governing Body, as that ultimately responsible for the operation and effectiveness of the Model, is in any event called upon to supervise the adequacy of its measures.

A further guarantee of autonomy, in line with Confindustria Guidelines, in the context of procedures for drawing up the corporate budget, the Governing Body approves the allocation of financial resources proposed by the SB, which the SB may utilize for any requirements arising from the correct performance of its duties (e.g. specialist advisors, business travel expenses, etc.).

The members of the SB have the capability, knowledge and professional competence and also meet the integrity requirements indispensable for carrying out their assigned tasks. In fact, the SB in the format described above has suitable inspection and advisory capabilities with specific reference, among other things, to auditing techniques, fraud detection and risk analysis and detection.

In particular, in compliance with the Confindustria Guidelines, best practices and case law on such matters, it is deemed that the SB in this format meets the necessary requisites of independence and autonomy, professionalism and continuity of action. The latter have been adequately evaluated by the managing body at the time of appointment, even through a review of CV's.

Assignment of the role of SB to persons other than those identified herein or modification of assigned SB duties must be decided by the Governing Body.

4.2 Method of appointment of the SB and term of office

The SB is appointed by the Board of Directors by a majority decision of its members. The Board of Directors appoints the Chairman of the SB in the same manner.

The appointment of members of the SB is final when their acceptance has been entered in the minutes of the Board resolution, or when they have signed a copy of the abstract of said resolution in acceptance.

Before any new appointment, the Board of Directors ensures that each member of the SB meets the specific requirements of the Decree and other requisites indicated in this chapter.

The Board of Directors periodically assesses the suitability of the SB in terms of organisational structure and powers granted.

The annual remuneration for SB members is decided by the Board of Directors and remains unchanged for the entire term of office.

The term of office will coincide with that of the Governing Body of the Company. The SB's mandate will on the date of the shareholders' meeting convened for approval of the financial statements relative to the last year of its mandate although it will continue to provisionally fulfil its functions (the so-called *prorogatio* regime) until the time of appointment of its new members.

SB members may resign from office and may also be re-elected on expiry of their mandate.

4.3 Reasons for ineligibility, reasons and powers of cancellation

The appointment as member of the Supervisory Body is subject to possession of the requisites of reputation, integrity, respectability and professionalism and to the absence of any of the following reasons for incompatibility with the appointment:

- existence of family, spouse or kin relationships up to four times removed with members of the Board of Directors, with senior management in general, with Company auditors and with auditors assigned by the Audit Firm;
- existence of real or potential conflict of interest with the Company such as to prejudice the independence required of the role and of the duties of the Supervisory Body;
- performance of other operational duties in the Company or in other Group Companies, i.e. duties related to decision-making powers with an economic or financial impact on the Company;
- provision of sureties or other guarantees in favour of one of the directors (or spouse thereof) or with a creditor or debtor relationship with these over and above the extent of the assigned duties;
- direct or indirect ownership of shareholdings sufficient to exert a significant influence over the Company;

- exercise of administrative functions in the three tax years prior to appointment to the SB in companies subject to bankruptcy, arrangements with creditors or other insolvency procedures;
- holding public office with a local or central administration in the three years prior to appointment as member of the SB or the establishment of an advisory/collaborative relationship with such an organisation;
- existence of a conviction, final or pending, or a plea bargain in Italy or abroad for Offences referred to in the Decree;
- existence of a conviction with a sentence, pending or final, of a penalty entailing permanent or temporary debarment from public office or temporary debarment from executive offices of legal entities and companies;
- existence of final conviction or plea bargain in Italy or abroad, for Offences other than those referred to in the Decree but with an impact on professional morals.

Each member of the SB, by accepting the appointment, issues the Company with a special declaration in which he/she certifies, under his/her own liability, that none of these reasons of incompatibility exists.

These rules also apply to the appointment of an SB member to replace a former member.

If during the term of office a member of the SB left (for example, through resignation or cancellation of office) the others would notify the Board of Directors of the Company which will arrange the appointment of one or more replacements.

Cancellation of the appointment of an SB member (even if involving one member only) and the assignment of this position to another person must only be for just cause, and may also be due to Company reorganisation. The new appointment must be by specific and unanimous resolution of the Board of Directors and approved by the Board of Statutory Auditors.

In this respect, “just cause” to cancel powers related to the office of a member of the Supervisory Body might include, for example:

- loss of the requirements of reputation, integrity, respectability and professionalism held at the time of appointment;
- reasons of incompatibility;
- gross negligence in discharging duties connected with the appointment such as (for example) failure to draw up the half-yearly report or summary annual report on activities performed for the Board of Directors, or failure to draw up the action plan;
- “failure to supervise or insufficient supervision” by the Supervisory Body pursuant to the terms of article 6, paragraph 1 d) of the Decree;
- the assignment of roles and operational responsibilities within the corporate body

incompatible with the Supervisory Body requisites of “autonomy and independence” and “continuity of action”;

- false declaration regarding the absence of reasons of incompatibility described above.

In particularly serious cases, the Board of Directors may, after consulting the Board of Statutory Auditors, suspend the powers of the SB and appoint a temporary body prior to termination of office of the entire SB.

4.4 SB functions

The SB is completely autonomous in carrying out its duties and its decisions are final. Specifically the SB must:

- supervise Recipients compliance with the Model;
- supervise the effectiveness and suitability of the Model in relation to the Company organisation and its actual capacity to prevent the commission of Offences;
- inform the Governing Body of the need/opportunity of updating the Model when there is a need to adapt to changes in corporate, regulatory or external situations.

The SB must also operate:

- *ex-ante* (e.g. ensuring staff training and education);
- continuously (through monitoring, supervision, review and updating);
- *ex-post* (analysing causes and circumstances that led to violation of the limitations of the Model or to the commission of an offence).

To effectively carry out these functions the SB is assigned the following duties and powers:

- periodic assessment of the map of the areas at risk, in order to guarantee adjustment to changes in business activities and/or the Company organisation;
- gathering, processing and storage of significant information on the Model;
- periodic verification of the effective application of corporate control procedures in the business areas at risk and of their effectiveness;
- verification that phases are taken to resolve critical issues through internal control systems as identified by risk assessment (action plan);
- periodic verification of transactions executed or specific actions taken within the area of Sensitive Processes;
- internal investigations and inspections to ascertain suspected violations of the limitations of

the Model;

- monitoring the adequacy of the disciplinary system for cases of violation of the regulations defined by the Model;
- coordination with other corporate departments and control bodies (first and foremost, the Audit Firm and the Board of Statutory Auditors), through specific meetings to better monitor activities in relation to the procedures established by the Model, to identify new areas at risk and to generally assess the various aspects of implementation of the Model;
- coordination and cooperation with occupational health and safety managers in order to ensure that the control system required under the Decree is integrated with the system of control prepared in compliance with the special occupational health and safety regulations;
- coordination with corporate department managers to promote sensitisation initiatives (also with specific reference to the organisation of training courses) and an understanding of the principles of the Model and to ensure the preparation of internal organisational documentation needed for implementation of the Model with instructions, explanations and updates;
- periodic assessment of the contents and the quality of training programmes.

For this purpose the SB may:

- issue instructions and service notes for the purpose of regulating the SB's own activities;
- access any corporate document needed to perform the duties assigned to SB under the terms of the Decree;
- define and issue specific directives to the various corporate departments, including senior management, for the purpose of obtaining information considered necessary to perform its duties so as to ensure prompt detection of any violation of the Model;
- carry out periodic checks on the basis of its own action plan or make spot checks not included in the action plan but nevertheless considered a necessary part of its duties.

Any additions to Sensitive Processes at risk may be requested by the Company's Supervisory Body, which shall be granted the mandate to identify the related assumptions and define suitable operational measures so that the Governing Body may amend and/or supplement the Model as a result thereof.

In carrying out its duties, the SB may in any event call upon the help of external collaborators who can be any person from any Company department and/or external advisors that could prove useful in pursuing the specified goals.

Acting on instructions of the SB, such collaborators may, also individually, carry out supervisory tasks deemed instrumental to the operation and observance of the Model.

In carrying out the assignment given to them as SB collaborators, staff members will report

hierarchically and in operational terms only to the SB.

The SB formulates its own Regulations to ensure its organisation and operating aspects, e.g. periodic inspections, decision-making procedures, the procedures for convening and recording the minutes of its own meetings, the resolution of conflict of interests and procedures for amending/revising such Regulations.

Moreover, within the scope of the Regulations, the SB expressly envisages formal meetings and discussions, in particular with:

- the Board of Statutory Auditors;
- the Audit Firm;
- the Control, Risks and Sustainability Committee;
- the Manager responsible for preparing corporate accounting documents;
- key players in the internal control system (in particular the Risk Manager);
- key players in the environmental and occupational health and safety management systems.

The aim of these meetings is, above all, the discussion and the coordination with the persons involved in front line implementation of the control system, each according to their respective area of competence, in order to allow the SB to take seize opportunities to improve the protective measures implemented for improved effectiveness of the Model. In this respect, it is the responsibility of the SB to verify incoming information flows, as defined in paragraph 4.5 "Reporting obligations to the Supervisory Body".

The SB governs the operating methods and frequency of organising such meetings, establishing the persons to be involved and the meeting agenda.

The SB also establishes an action plan to fulfil its assigned tasks, for submission to the Governing Body.

4.5 Reporting obligations to the Supervisory Body

In order to facilitate supervision of the effectiveness and efficacy of the Model, the SB receives:

- information useful or necessary to performing the supervisory duties assigned to that SB (hereinafter "Information");
- reports on violations, alleged or actual, of the Model and/or of the Code of Ethics, better describer at paragraph 4.6..

The SB must be given access to any type of information useful in performing its activities. Conversely, the SB is obliged to keep secret any information acquired.

In order to facilitate its supervisory duties the SB must periodically obtain the Information considered useful for this purpose including, for example:

- measures and/or notices from the police authorities or any other authority from which it can be inferred that investigations into Offences are in progress, including against persons unknown;
- commissions of enquiry or internal reports from which liabilities regarding alleged Offences covered by the Decree emerge;
- notices relating to disciplinary proceedings carried out relating to violation of the Model and to any penalties inflicted (including measures taken against employees) or measures for dropping these proceedings with related reasons;
- summary schedules of orders assigned by the Italian or a foreign Public Administration;
- information regarding organisational changes significant for the purposes of Sensitive Processes;
- information regarding organisational changes in the key roles in occupational health and safety matters (e.g. changes in roles, tasks and persons appointed as safety officers);
- updates to the system of delegation and powers of attorney (including the system of powers and delegation regarding occupational health and safety);
- changes to the regulatory system on occupational health and safety matters;
- changes to the regulatory system on environment-related matters;
- release, amendment and updating of environment-related authorisations;
- documentation on all relations between individual departments and Public Officials and Public Service Officers limited to Sensitive Transactions as defined in the Model;
- any Audit Firm reports on aspects that may indicate shortcomings in the internal control system, reprehensible facts, criticism of the financial statements of the Company;
- any assignment or intended assignment to the Audit Firms or their partner Companies, other than audit of the financial statements or accounts;
- meetings of the Board of Directors and the Board of Statutory Auditors.

All information must be provided to the SB by the department managers according to their own areas of responsibility.

Moreover, for the purpose of allowing SB monitoring activities of particular significance (Sensitive Transactions) performed within the areas/Sensitive Processes indicated in the Special Section, the Process Owners are required to send the SB the “Information on Sensitive Operations”. These parties are qualified as Process Owners on the basis of their CRSA activities.

The identification of “Information on Sensitive Operations” occurs by outlining criteria and parameters defined by the SB in relation to the implemented CRSA activities as well as by evaluating efficacy in relation to the implementation of their tasks and the constant consistency with changes in volumes and significance of activities. The SB will proceed with opportunely informing the Board of Directors of the definition of these criteria and parameters.

In particular, the informational content of the Sensitive Operations as well as, in general, the regulation of informational flows with respect to the SB - in terms of their frequency, modality of transmission and responsibilities in the transmission of these flows - is outlined in detail in the procedure “Guidelines for the management of informational flows to the SB, in accordance with the Organizational Model pursuant to Legislative Decree 231/2001”.

It also specifies that all information flows concerning the issues mentioned above and / or Sensitive Operations must be disclosed by the respective Process Owners by filling out the "Sensitive Transaction Evidence Report" (Attachment B1) to be transmitted to the SB (to the email address organismodivigilanza@isagro.com and/or by any mean, provided that sending track is kept and the sender is always recognizable).

Any violation of the reporting obligations covered by this paragraph constitutes a disciplinary offence punishable under the terms of Chapter 6 “*Disciplinary System*” Model.

4.6 Reporting (so-called *whistleblowing*)

The Company gives to all Recipients the possibility to report (hereinafter “Reports”) an unlawful act or omission that constitutes, or may constitute a violation of – or an inducement to violate – laws and regulations, the values and principles established in Isagro Organisation, Management and Control Model, in Group Code of Ethics, of internal control principles, company policies/procedures.

To carry out and manage the Reports, the Company has established specific rules and a whistleblowing process in a specific procedure called "Group Reporting Procedure - Whistleblowing" (Attachment I) that the Recipients are required to activate.

Among the Reports, the Company allows Recipients to present, in order to protect the integrity of the entity, detailed reports (hereinafter "231 Reporting violations ") of:

- unlawful, presumed or effective conduct, relevant pursuant to Legislative Decree 231/2001 and based on precise and concordant facts;
- violations, presumed or effective, of the Model and/or of the Group Code of Ethics.

All the Recipients of the Model must present the 231 Reporting of violations, if in good faith they consider that there are illegal behaviors or violations of the Model and/or of the Code of Ethics of which they have come to know due to the functions performed. The Report is intended to be made in good faith when it is made on the basis of reasonable conviction based on factual and circumstantial elements.

These 231 Reporting of violations must be sufficiently precise and detailed and referable to a defined event or area: it should be noted that these 231 Reporting of violations may concern any relevant company scope for the application of Legislative Decree 231/2001 and the current version

of Isagro S.p.A. Model.

4.6.1. Presentation and management of Reports

The recipients of the Reports are:

- the Internal Audit Manager of the Company;
- the Supervisory Body of Isagro S.p.A. of which the Internal Audit Manager is a member and Secretary (see paragraph 4.1).

The Reports must be sent by completing the "Evidence Report Violation" (Attachment B2) to be transmitted through one of the following channels:

- in paper form, to the ordinary postal address: Isagro S.p.A. - Via Caldera 21 - 20153 - Milan, to the attention of the Internal Audit Manager;
- by e-mail to the whistleblowing address of Isagro S.p.A. : whistle.isagro@gmail.com;
- by e-mail to the Supervisory Board of Isagro S.p.A. address: organismodivigilanza@isagro.com.

In any case, the confidentiality of the identity of the whistleblower and of the information in any context subsequent to the Reports themselves is assured if carried out in good faith, without prejudice to the legal obligations and the protection of the rights of the Company or of the persons accused in bad faith. .

The Reports may also be anonymous but must describe in detail the facts and persons object of the report. Anonymous reports will be taken into consideration that demonstrate the seriousness and credibility of the question raised as well as the probability that the fact is confirmed by reliable sources. However, Isagro recommends that the same could be nominative, in order to allow the subjects in charge a more efficient investigation activity, applying in any case the foreseen protections.

In any case, the Company guarantees good faith reporters against any form of retaliation, discrimination or penalization for reasons connected directly or indirectly to the report, without prejudice to the right of the assignees to protect themselves if criminal or civil liability related to the falsity of the declaration is ascertained and without prejudice to legal obligations. According to the following paragraph 6, those who violate the reporting protection measures are sanctioned.

However, Reports that do not contain any substantial element supporting them (for example, because they contain mere suspicions or rumors), that are excessively vague or unsubstantiated or of evident defamatory or libelous content will not be taken into consideration. According to the following paragraph 6, those who carry out, with intent or gross negligence, Reports that prove to be groundless are sanctioned.

4.6.2. Information flows between the Internal Audit Manager and the SB

The person identified by the Company as the person responsible for managing the Reports is the Internal Audit Manager of the Company, who will receive, analyze, investigate, understand, record and report to the Managing Body the issues raised through the reporting channels, using also the support of other company functions or external consultants.

The Internal Audit Manager of the Company will evaluate the Reports received with discretion and responsibility and, following the procedure referred to in section 4.6, will also investigate by listening to the author of the Reports and/or the person responsible for the alleged violation.

The Internal Audit Manager of the Company shall be assisted by the Supervisory Body in carrying out the verification activities on the validity of the Reports of violation.

If the SB receives an alert regarding alleged or actual violations of the Model or the Code of Ethics or relating to unlawful, presumed or effective conduct, relevant pursuant to Legislative Decree 231/2001, it will transmit said report to the Internal Audit Manager of the Company so that it can proceed with the examination of the same and any verification activities.

In carrying out this transmission, the SB must guarantee the confidentiality of the identity of the reporting party.

In order to facilitate the supervisory activities that are the responsibility of the Supervisory Body, the Internal Audit Manager must promptly inform the Supervisory Body about:

- Reports received regarding the alleged or actual violations of the Model and/or the Code of Ethics;
- Reports of unlawful conduct, presumed or effective, relevant pursuant to Legislative Decree 231/2001 and based on precise and concordant facts;
- the trend and the outcome of the investigations carried out following the Reports of violations.

In any case, even the Supervisory Board, once the above information is received by the Internal Audit Manager, is required to guarantee the confidentiality of the identity of the Reporter.

Upon receipt of a Report concerning a violation of the Model relevant for health and safety at work, the Supervisory Board remains responsible for verifying that the sender has previously or simultaneously informed the Employer and the Head of the Prevention and Protection Service, as well to the Q & HSE Manager. If the sender of the Report has not already done so, the SB will inform the Employer and the Head of the Prevention and Protection Service over the Q & HSE Manager.

4.7 SB Reporting

The SB reports directly to the Governing Body on matters regarding implementation of the Model or any criticalities.

The SB is accountable to the Governing Body for:

- submission at the start of each year of the action plan it intends to follow in performing its duties;
- periodic submission, at least every six months, of an action plan progress report, any changes made to the Plan and the reasons;
- promptly reporting any violation of the Model or illegitimate and/or illegal conduct brought to its attention through Reports from Recipients and/or by Internal Audit Manager that the SB considers well-founded or confirmed;
- writing a summary report every six months on the activities carried out and the results achieved, on critical elements and Model violations, together with proposals for any Model updates required.

The Governing Body and the Board of Statutory Auditors may at any time request a meeting with the SB which, in turn, through the relevant departments or persons, call a meeting with the aforementioned bodies for urgent or particularly serious reasons.

The SB communicates the results of its findings to the department managers should investigations bring to light any shortcomings, conduct or action not in line with the Model. In this case, the SB must obtain an action plan from the process managers concerned, to be followed with appropriate scheduling in order to avoid a repetition of such circumstances.

The SB must immediately inform the Board of Statutory Auditors and the Governing Body if the violation involves a member of senior management.

As noted above, and at the time of receipt of a Report regarding occupational health and safety, the SB arranges to inform the Employer and the Prevention and Protection Service Manager if the sender of the Report has not already done so. The SB also promptly informs the Governing Body of any Reports considered well-founded and/or confirmed.

4.8 Information storage

All the Information, Reports and other reports and documents gathered and/or prepared for the application of this Model are stored for a period of 10 years by the SB in a special archive (electronic and/or hard copy) managed by the Secretary of the SB.

Access to the archive is granted only to members of the SB and the Governing Body, the Board of Statutory Auditors and, on justified request, to the Audit Firm.

Note also that the documentation produced as part of activities to prepare and update the Model (risk assessment, etc.) is collected in a specific Archive (as referred to in Chapter 2 of the Model)

and kept by the SB (again by the Secretary).

5. DISTRIBUTION OF THE MODEL

In order for the Model to be effective, it is of primary importance that the Company's human resources and future recruits have full knowledge of the rules of conduct it contains, just as every other Recipient should have a level of awareness proportionate to the extent of their involvement in Sensitive Processes.

5.1 Initial communication

To ensure effective awareness and application of the Model, its adoption is formally communicated by the Governing Body to all Recipients.

With regard to employees, distribution occurs by publication on the Company intranet and/or in printed format within the locations that are deemed suitable. In addition, and at the time of publication within the Company, each person will sign a declaration confirming that he/she has examined the Model and undertakes to comply with its provisions (see [Attachment C](#)).

Whereas with regard to suppliers, contractors, agents, distributors, advisors, temporary staff and project workers involved in the Sensitive Processes, any contract resulting in the setting up of a business relationship or any form of collaboration with such parties must explicitly contain clauses edited in accordance with [Attachment D](#), which may also be drawn up on documents separate from the contract itself ([Attachment E](#)).

However, if a third party qualified as Recipient of this Model in turn adopts their own Organisational Model under the terms of the Decree, the Company can assess the contents of that Model and, if considered appropriate and as an alternative to the clauses in Attachments D and E, may opt for the parties to sign a mutual commitment clause to comply with their own Organisational Models, the format and content of which must be prepared in line with that of [Attachment F](#).

In addition, the latest version of the following documentation, important for effective implementation of the Organisational Model is available at the corporate Intranet and/or the Corporate Affairs Office, from which a copy can be obtained on request:

- the Company organisation chart;
- the chart showing the Group control structure;
- the List of Corporate Policies-Procedures applying to activities performed as part of Sensitive Processes;
- the SB Operating Instructions, specific for the corporate departments involved in Sensitive Processes, aimed at ensuring an effective flow of information to the SB.

5.2 Staff training

Staff training on implementation of the Model is the responsibility of the Governing Body, which will

identify the internal and external resources of the Company to be assigned the task of arranging the training.

These resources will coordinate with the SB in designing the training courses and the SB will assess their effectiveness in terms of planning, content, degree to which it is up to date, timing, methods and participant identification.

The identified staff members' participation in such training is compulsory: consequently, repeated and/or unjustified failure to participate will be punished pursuant to the Disciplinary System contained in the Model.

The training provides information at least in reference to: the regulatory framework in question (Legislative Decree 231/2001); the Model adopted by the Company; the Code of Ethics; corporate cases of application of the regulations; monitoring and protocols introduced following adoption of the Model.

Based on a systematic training schedule, the courses primarily involve classroom and/or on line training to all Isagro S.p.A. staff in service. Special training sessions will be arranged for new recruits joining after adoption of the Model.

The training provided must be promptly registered.

6. DISCIPLINARY SYSTEM

The Decree establishes that there be an “appropriate disciplinary system to penalise non-compliance with the measures indicated in the Model” for persons in senior management positions and for those under the direction and supervision of others.

The existence of a penalty system applicable in cases of non-compliance with the rules of conduct, the provisions and internal procedures established by the Model is, in fact, indispensable in guaranteeing the effectiveness of the Model itself.

Application of the sanctions in question must remain entirely independent of the performance and outcome of any criminal or administrative proceedings initiated by the Judicial or Administrative Authorities, if the conduct to be censured also constitutes a significant offence pursuant to the Decree or a significant criminal or administrative offence pursuant to occupational health and safety regulations. In fact, the regulations imposed by the Model were adopted by the Company in full autonomy, regardless of the fact that any conduct could constitute an offence and that the Judicial or Administrative Authorities would prosecute such an offence.

Assessment of the adequacy of the disciplinary system, the constant monitoring of any proceedings to inflict penalties on employees, as well as any phases taken with regard to third parties are the responsibility of the SB, which will also report any violations of which it becomes aware during the course of its duties.

Except for the provisions of paragraph 4.3 (“*Reasons for ineligibility, reasons and powers of cancellation*”), the disciplinary system defined is also applied to members of the SB in relation to the duties assigned to them by this Model (on this point see paragraph 6.4 below).

6.1 Violation of the Model

The following are violations of the Model:

1. conduct involving the types of offence contemplated by the Decree;
2. conduct which, though not qualifying as one of the types of offence contemplated by the Decree, nevertheless aim unequivocally to commit such Offences;
3. conduct not compliant with the procedures referred to in the Model and Code of Ethics;
4. conduct not compliant with the measures laid down by the Model or referred to by the Model, in particular:
 - in relation to the risk of commission of an offence against the Public Administration, behaviours in violation of the principles of control and of the general and specific provisions listed in paragraphs 9.3 and 9.4 below of Chapter 9 “Offences against Public Administration”;
 - in relation to the risk of commission of a corporate or market abuse offence, behaviours in violation of the principles of control and of the general and specific provisions listed in paragraphs 10.3 and 10.4 below of Chapter 10 “Corporate and market abuse Offences”;
 - in relation to the risk of commission of an offence relative to the receipt, laundering or use of money, assets or benefits of illegal origin as well as self-money laundering, behaviours in violation of the principles of control and of the general and specific provisions listed in paragraphs 11.3 and 11.4 below of Chapter 11 “Receivingstolen goods, money laundering, assets and utilities as well as self-money laundering”;
 - in relation to the risk of violation of the norms established in relation to the protection of health and safety in the workplace and which could result in accidents or professional diseases involving second degree murder or serious or very serious personal injury, behaviours in violation of the principles of control and of the general and specific provisions listed in paragraphs 12.3 and 12.4 below of Chapter 12 “Occupational health and safety Offences”;
 - in relation to the risk of commission of an IT offence, behaviours in violation of the principles of control and of the general and specific provisions listed in paragraphs 13.3 and 13.4 below of Chapter 13 “Computer Crime Offences”;
 - in relation to the risk of commission of an organized crime offence, behaviours in violation of the principles of control and of the general and specific provisions listed in paragraphs 14.3 and 14.4 below of Chapter 14 “Organized Crime Offences”;
 - in relation to the risk of commission of an offence relative to falsified trademarks and patents, behaviours in violation of the principles of control and of the general and specific provisions listed in paragraphs 15.3 and 15.4 below of Chapter 15 “Counterfeit of trademarks, patents and logos Offences”;
 - in relation to the risk of commission of an offence against industry and commerce,

- behaviours in violation of the principles of control and of the general and specific provisions listed in paragraphs 16.3 and 16.4 below of Chapter 16 “Industrial and commercial Offences”;
- in relation to the risk of commission of a copyright violation offence, behaviours in violation of the principles of control and of the general and specific provisions listed in paragraphs 17.3 and 17.4 below of Chapter 17 “Copyright Offences”;
 - in relation to the risk of commission of an environmental offence, behaviours in violation of the principles of control and of the general and specific provisions listed in paragraphs 18.3 and 18.4 below of Chapter 18 “Environmental Offences”;
 - in relation to the risk of commission of an offence pertaining to the use of illegal foreign residents, behaviours in violation of the principles of control and of the general and specific provisions listed in paragraphs 19.3 and 19.4 below of Chapter 19 “Employment of citizens of third countries whose stay is illegal”;
 - in relation to the risk of commission of an offence against the individual personality, in violation of the principles of control and of the general and specific provisions listed in paragraphs 20.3 and 20.4 below of Chapter 20 “Offences against individual personality”;
5. uncollaborative conduct towards the SB, for example consisting in a refusal to provide the information or documentation requested, failure to observe the general rules and specifications provided by the SB for the purposes of obtaining the information considered necessary to perform its duties, failure to participate without justified reason in the inspection visits planned by the SB and repeated and unjustified failure to attend training sessions.
 6. acts of retaliation or discriminatory against those who have sent the reporting of an unlawful conduct, relevant for the purposes of Legislative Decree 231/2001, or of a violation of the Model and/or Code of Ethics, for reasons directly or indirectly connected to the report itself; in this case, the fine or disciplinary suspension will be applied, depending on the severity of the conduct, or the sanction of the dismissal for just cause, if the act of retaliation consists in the dismissal of the reporters; if the conduct is put in place by a director, one of the penalties provided for in the following paragraph 6.4 will apply, depending on the seriousness;
 7. violations of the confidentiality obligations on the identity of the reporting person; in this case, the sanction of the disciplinary suspension will normally be applied, unless the breach of confidentiality obligations has caused serious prejudice to the reporting party, in which case the sanction of the dismissal will apply; if the conduct is put in place by a director, one of the penalties provided for in the following paragraph 6.4 will apply, depending on the seriousness;
 8. reporting of an unlawful conduct, relevant for the purposes of Legislative Decree 231/2001, or of a violation of the Model and/or of the Code of Ethics, which prove to be groundless, if carried out with intent or gross negligence; in this case, the disciplinary sanctions envisaged in the following paragraphs will be applied, determined according to the severity of the conduct.

The adoption of discriminatory measures against the persons who carry out the Reporting of an unlawful conduct, relevant for the purposes of Legislative Decree 231/2001, or of a violation of the Model and/or of the Code of Ethics can be reported to the National Inspectorate of the Work, for the measures within its competence, as well as by the reporter, also by the trade union organization indicated by the same.

Furthermore, with reference to the Reporting of relevant unlawful conduct pursuant to Legislative Decree 231/2001 and to the Reporting of violations of the Model, referred to in paragraph 4.6 above, it should be noted that, pursuant to art. 6, paragraph 2 quater of Legislative Decree 231/2001, the retaliation or discriminatory dismissal of the reporter is null. The change of duties pursuant to Article 2103 of the Italian Civil Code, as well as any other retaliation or discriminatory measure adopted against the reporter, are also null. It is the responsibility of the Employer, in case of disputes related to the application of disciplinary sanctions, or demotions, layoffs, transfers, or submission of the reporter to another organizational measure having negative effects, direct or indirect, on working conditions after the presentation of the report, to demonstrate that such measures are based on reasons unrelated to the report itself.

The severity of the violation of the Model is assessed on the basis of the following circumstances:

- the existence and intensity of the element of intent;
- the existence and intensity of the negligent, imprudent or improper conduct;
- the existence and intensity of recurring misconduct;
- the extent of the damage and/or consequences of the violation for persons who are Recipients of occupational health and safety regulations, and for the Company;
- the predictability of the consequences;
- the timing and methods of the violation;
- the circumstances under which the violation took place.

6.2 Measures taken against employees

Violation of the individual rules of conduct established by this Model by employees covered by the “CCNL - National Collective Bargaining Contract for employees in the chemical industry, pharmaceutical industry, chemical fibres, and the ceramics, abrasives, lubricants and LPG sectors”, is a disciplinary offence.

Any type of violation of the rules of conduct contained in the Model in any event authorises the SB to ask the Company Senior Management to initiate disciplinary proceedings with possible infliction of one of the sanctions listed below, decided according to the seriousness of the violation committed in the light of the criteria specified in paragraph 6.1 and of the offender's conduct prior to (e.g. any previous violations committed) and after the fact (e.g. report of the irregularity sent to the SB).

The disciplinary measures that can be inflicted on such employees - in compliance with the

procedures established in article 7, paragraphs 2 and 3, Law no. 300 of 20 May 1970 (Workers' Statute) in its current version, any special regulations applicable and in article 50 et seq. of the above mentioned CCNL - are those established by the following penalty system:

- a. verbal warning;
- b. warning letter;
- c. fine no higher than four hours' pay;
- d. suspension from service and suspended pay for a period of no more than 8 days;
- e. dismissal with right of advance notice and dismissal for just cause without advance notice

In any event, the Human Resources Department will always keep the SB informed of any penalties inflicted and/or violations confirmed.

With reference to violations of the Model by Company employees, due to wilful intent or to negligence, it is specifically provided that:

1. a verbal warning or a warning letter depending on the severity of the violation shall be given to an employee violating internal procedures established by this Model or during the course of his/her duties in areas at risk, adopting conduct not compliant with the provisions of the Model, provided such conduct does not incur application of the measures established by the Decree;
2. without prejudice to the provisions of point 3 below, a fine will be inflicted on an employee - for an amount not greater than four hours of compensation - who repeatedly violates internal procedures established by this Model or during the course of his/her duties in areas at risk repeatedly adopts conduct not compliant with the provisions of the Model provided that such conduct does not incur application of the measures established by the Decree;
3. without prejudice to the provisions of point 4 below, suspension from service or suspended pay up to a maximum of eight days will be inflicted upon an employee who in violating the protocols established by this Model or adopting conduct not compliant with the provisions of the Model while carrying out activities in areas at risk causes damage to the Company or exposes it to an objective situation of danger to the integrity of its assets, provided such conduct is not with unequivocal intent to commit an offence or does not incur the application of measures established by the Decree;
4. the provision of disciplinary dismissal with right of advance notice is applied to an employee who habitually implements any of the Offences providing for suspension under point 3) above and following a formal written warning; dismissal for just cause without advance notice is inflicted upon an employee adopting conduct not compliant with the provisions of this Model and with unequivocal intent to commit an offence punished by the Decree, and upon an employee adopting conduct in blatant violation of the provisions of this Model sufficient to incur actual application of the measures established by the Decree on the Company;

With reference to the risk of commission of Offences violating regulations on workplace health and safety and pursuant to Article 25-*septies* of the Decree, and in compliance with the provisions of the Memorandum of the Ministry of Labor of 11 July 2011 no. 15816 pertaining to an "Organizational and management model pursuant to Article 30 of Leg. Decree 81/2008", potential Offences are illustrated below in order of increasing gravity:

1. a written warning is applied to an employee who does not comply with the Model and in the case that the violation involves the occurrence of a situation of potential danger for the physical integrity of one or more people, including the party committing the offence, and so long as one of the cases pursuant to points 2, 3 and 4 below are not applicable;
2. a fine not exceeding four hours of compensation is applied to an employee who does not comply with the Model and in the case that the violation involves the occurrence of a situation of potential danger for the physical integrity of one or more persons, including the person committing the offence (with reference to a recurrent behaviour that already resulted in written warnings), or injury to the physical integrity of one or more parties, including the party committing the offence, and so long as one of the cases pursuant to points 3 and 4 below are not applicable;
3. a provision involving the suspension from employment and compensation for up to eight days is applied to an employee who does not comply with the Model and in the case that the violation results in injury deemed “serious” according to Article 583, paragraph 1, of the Italian Criminal Code and is caused to one or more individuals, including the party committing the offence, and so long as one of the cases pursuant to point 4 below is not applicable;
4. dismissal with a right to advance notice is applied to an employee who commits recurrent Offences that involve suspension from employment and compensation for up to three days, as illustrated in point 3) above; a dismissal for just cause without advance notice is applied to an employee that does not respect the Model and in the case that the violation causes injury deemed as “very serious” by Article 583, paragraph 2, of the Italian Criminal Code to the physical integrity of one or more parties, including the party committing the violation, or the death of any of these parties.

In the case that the contested violation is particularly serious, the employee may be suspended for precautionary purposes immediately and up until the time of application of the sanction, in accordance with the provisions of the Statute of Work and the national collective employment contract of reference.

No disciplinary provision may be applied without the prior notification of complaints of the employee and without having heard a defence of the latter. A notification of complaints with a specification of the facts constituting the violation will be implemented in writing and will specify the deadline within which the employee may present his/her defence; this will not, under any circumstances, be less than five working days.

The employee may be legally assisted by a member of the unitary work union organization.

6.3 Violation of the Model by managers and related measures

Violations of the individual regulations contained in this Model and committed by managers of the Company are also disciplinary Offences.

Any type of violation of the rules of conduct contained in the Model, however, authorises the SB to ask the Chairman and the CEO to inflict one of the penalties listed below, determined on the basis of the severity of the violation committed in the light of the criteria indicated in paragraph 6.1 and of the conduct demonstrated before (for example, any previous violations committed) and after the

fact (for example, reporting the irregularity to the SB) by the offender.

The disciplinary measures that can be inflicted on managers - in compliance with the procedures established in article 7, paragraphs 2 and 3, Law no. 300 of 20 May 1970 (Workers' Statute) in its current version and without prejudice to the provisions of the CCNL for managers of companies producing goods and services - are those established by the following penalty system:

- a. written reprimand;
- b. disciplinary suspension;
- c. dismissal with justified reason;
- d. dismissal for just cause.

In any event, the relevant Company department will always keep the SB informed of penalties inflicted and/or violations confirmed.

In particular, with reference to violations of the Model committed by Company managers, it is provided that:

- in cases of minor violation of one or more procedural rules or rules of conduct established by the Model, the manager incurs a written reprimand consisting of a warning to comply with the Model, compliance with which constitutes a condition necessary for maintaining a relationship of trust with the Company;
- in cases of minor but repeated violations of one or more procedural rules or rules of conduct established by the Model, the manager incurs a disciplinary suspension;
- in cases of severe violation of one or more procedural rules or rules of conduct of the Model, the manager incurs dismissal for justified reason;
- in cases where the violation of one or more procedural rules or rules of conduct of the Model is of such severity that it irreparably harms the relationship of trust and does not allow even temporary continuation of the employment relationship, the manager incurs dismissal for just cause.

Moreover, for Company staff qualifying as 'manager', the followings represent a serious violation of the provisions of the Model:

- failure to comply with the obligation of management or supervision of employees regarding correct and effective application of the Model;
- failure to comply with the obligation of management and supervision of other collaborators who, though not linked to the Company by an employment contract (for example, self-employed workers, agents, consultants, collaborators providing continuing and coordinated services etc.), are in any case subject to the management and supervision of the 'manager' pursuant to article 5 paragraph 1 b), Legislative Decree 231/2001, without prejudice to the qualification of the contract with such workers.

6.4 Measures taken against members of the Governing Body, the Board of Statutory Auditors and members of the SB

In cases of violation of the Model by one or more members of the Governing Body of the Company, the SB shall inform the Board of Directors and Board of Statutory Auditors which will take appropriate phases consistent with the seriousness of the violation and in compliance with the provisions of paragraph 6.1 and the powers provided by law and/or the Isagro - By-Laws (statements in meeting minutes, request for call or call of the Shareholders' Meeting with suitable measures on the agenda relating to those responsible for the violation, etc.).

The disciplinary measures which can be inflicted on one or more members of the Governing Body of the Company subjected to resolution of the Board of Directors adopted with abstention of the person involved and where necessary, by the Shareholders' Meeting, are those established by the following penalty system:

- a. written warning;
- b. temporary suspension from office;
- c. termination of office.

In particular with reference to violations of the Model committed by one or more members of the Governing Body of the Company, the following are envisaged:

- in cases of minor violation of one or more procedural rules or rules of conduct of the Model, the member of the Governing Body incurs a written warning consisting of a warning to comply with the Model, compliance with which is an essential condition for maintaining a relationship of trust with the Company;
- in cases of serious violation of one or more procedural rules or rules of conduct of the Model, the member of the Governing Body incurs the sanction of temporary suspension from office;
- in cases of serious violation of one or more procedural rules or rules of conduct of the Model so that the relationship of trust is seriously damaged, the member of the Governing Body incurs termination of office.

In addition, for members of the Company's Governing Body, violation of the obligation of management and supervision of staff on the correct and effective application of provisions of the Model is also a violation of the Model.

In the event of violation of the Model by the entire Governing Body of the Company, the SB will inform the Board of Statutory Auditors so that the latter may immediately call a Shareholders' Meeting in order that appropriate measures may be taken.

In cases of violation of the Model by one or more members of the Board of Statutory Auditors, as well as all of the Board of Statutory Auditors of the Company, the SB shall inform the Governing Body which will take appropriate phases consistent with the seriousness of the violation and in compliance with the powers provided by law and/or the Isagro - By-Laws (statements in meeting minutes, request for call or call of the Shareholders' Meeting with suitable provisions on the agenda relating to those responsible for the violation, etc.).

If the Governing Body should learn of violations of the Model by one or more members of the SB, in agreement with the Board of Statutory Auditors the Governing Body will take phases considered most appropriate given the seriousness of the violation and in compliance with the powers provided by law and/or the Isagro - By-Laws.

In particular, if the violation is committed by a member of the SB who is also an employee of the Company, the penalties of paragraphs 6.2 and 6.3 apply.

In any event, the Board of Directors and the Board of Statutory Auditors shall always inform the SB of penalties inflicted and/or violations confirmed.

6.5 Measures taken against coordinated and continuous staff and temporary staff involved in Sensitive Processes, advisors, agents, distributors, suppliers and contractors

Any violation committed by coordinated and continuous staff, temporary employees involved in Sensitive Processes, advisors, agents, distributors, suppliers and contractors may incur termination of contract depending on the provisions of the specific contractual clauses included in the letters of appointment or in the collaboration/agency/distribution agreements, contracts and subcontracts, save for any claim for compensation if such conduct should cause damage to Isagro S.p.A., as in the case of application by the Judge of measures established in the Decree.