PELLICANO HOTELS

ITALY

ORGANISATION, MANAGEMENT AND CONTROL MODEL

PURSUANT TO LEGISLATIVE DECREE no. 231, 8 JUNE 2001

Approved by resolution of the Board of Directors 17 May 2024

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PELLICANO HOTELS GROUP

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GENERAL SECTION

INTRODUCTION: THE ORGANISATIONAL MODEL OF THE GROUP

The main activities of Pellicano Hotels Group (hereinafter "Group") are the operation of hotels, beauty retreats, wellness centres, restaurants, cafeterias, bars, pizzerias, nightclubs, discos, dance halls with entertainment, dance schools and commercial enterprises; the organisation of events linked to the promotion of Italian food and wine culture and all related activities (for example the publication of magazines and books, the organisation of themed evenings); the trade in food items, with a particular focus on typical Italian products such as olive oil, wines, liqueurs, pasta and various beverages; the organisation of cultural events of all kinds, including shows, competitions, festivals and similar, as well as sports events, congresses, conventions and meetings, including the organisation and promotion of theatre and music shows, trade fairs, exhibitions and other events under its own name or for third parties, with the provision of all associated services and/or activities; the management and running of beach clubs both directly and on behalf of third parties, with the provision of all associated services such as the management of restaurants, cafés, cafeterias, bars, delis, pizzerias, ice cream parlours and cake shops with their relative food preparation areas, the operation of the related commercial premises for non-food items linked to the beach season; the provision of food and beverages, alcohol and spirits to bars and similar, the provision of services associated with yachting, including boat storage, hire and rental, and related schools for sailing, kayaking and canoeing. As shown in the Group's sociogram (updated over time), the Group is characterised by its division into several proprietary companies and its operational management of individual hotels.

Namely:

- **Pellicano Hotels S.p.A.** is the holding company without employees that manages the (direct or indirect) subsidiary companies and provides financial support and optimisation of the financial structure of the companies in the Group which, in turn, are the owners or managers of hotels;
- **Pellicano PropCo S.r.L.** and **Suvera PropCo S.r.L.**, without employees, own hotel properties and are responsible for structural restoration, redevelopment and extraordinary maintenance of buildings and installations;

- **Pellicano OpCo S.r.L.** and **Mezzatorre S.r.L.**, as commercial tenants of properties, manage hotels with their own administrative or seasonal staff (e.g. directors, heads of department, HR managers etc) or external consultants/personnel (e.g. for payslips or prevention and protection services), taking direct ownership of each property and with responsibility for ordinary maintenance;
- **Pellicano Rent S.r.L.**, with its own employees, owns a fleet of vehicles and provides transport and rental services for customers of the Group's hotels.

For the status, division of social capital, administrative and management system, auditing and control, management, spending and/or marketing structure, as well as a more detailed description of the business purpose of each of the above companies, see their **certificates of incorporation**, updated versions of which are appended to this Model.

Within the Group, Pellicano OpCo S.r.L. provides outsourced services on the basis of contracts (as may be in force from time to time) for management and staff roles (e.g. operations, HR, administration and finance, sales, marketing, IT etc).

Suppliers of the Group (e.g. of furniture, food items, wines/spirits, laundry services, vehicle hire etc) are mainly Italian legal persons or entities, while its customers are Italian or foreign legal persons.

On the basis of the Group's organisational structure and the centralisation of the powers of administration, management and control in conjunction with the composition of the competent bodies (e.g Board of Directors, Board of Auditors) of the corporate management and independent auditors, in view of the Group's Code of Ethics (as may be in force from time to time), it is appropriate to adopt a **single organisational Model for Pellicano Hotels Group**) (hereinafter also "OMCM") and refer its **supervision** to a **single body** (hereinafter also "Supervisory Board" or "SB"), without prejudice to the different risks of crime relating to the individual companies in the Group, each of which has its own legal identity and will implement the Model through its own administrative body

For this reason, unless otherwise stated, references in this Model to *Board of Directors (BoD)*, *Board of Auditors* or *independent auditors* refer to the administration, control or oversight body of each company in the Group.

1. THE ENTITY'S LIABILITY SYSTEM

1.1. Italian Legislative Decree 231/2001

LD 231/2001 (hereinafter also "Decree") incorporated into Italian law an administrative liability relating to entities, which applies – in addition to criminal liability of the legal person who materially carries out the prohibited conduct – to certain instances of crime (in two cases, as will be seen in the following list, including administrative offences) committed in the interests or for the benefit of entities themselves by legal persons occupying representative, administrative or management roles in the entity or one of its branches with financial and operational autonomy, or by persons responsible (including *de facto*) for the management and control of the same (so-called senior management, see article 6), or by individuals subordinate to the management or supervision of one of the aforementioned persons (so-called subjects *subordinate to the management of others*, article 7).
Regarding the criteria for contributory negligence, the distinctive element of the new form of liability is the premise of so-called *organisational liability*, which allows the entity to be held responsible for crimes committed by legal persons operating within it, and otherwise in its interests or to its advantage.
The process of handling crimes committed is different depending on whether the alleged perpetrator is in a senior or subordinate role.
In the former case, the entity is not liable solely if it can prove:

- that it adopted and effectively implemented, prior to the commission of the crime, appropriate organisation and management models to prevent crimes of the type in question;
- that it entrusted oversight for the functioning, compliance and updating of the aforementioned models to an internal body with independent powers of initiative and control;
- that the individuals who committed the crime fraudulently evaded the organisation and management models: this presupposes that they deceived the organisation for which the model was provided or the other persons in senior roles in terms of at-risk activities, using fraudulent, false, underhand and devious conduct to circumvent the rules contained in the model;
- that oversight by the supervisory body was not lacking or insufficient.

In the second case, liability derives from failure to comply with the obligation of supervision or management, unless the entity has adopted and effectively implemented, prior to the commission of the crimes, an appropriate organisation, management and control model geared to preventing crimes of the type in question.
Therefore, regarding the considerable process associated with the onus of proof, in the event of a court case to ascertain the entity's administrative liability, in the first hypothesis – a crime committed by a person in a leadership position – the entity must prove it has met the requirements pursuant to article 6, paragraph 1, subsections a) to d) of LD 231, and in the second hypothesis – crime committed by subordinates –, the onus to prove failure to adopt or failure to implement the organisational model falls on the prosecution.

The sanctions stipulated in the Decree (articles 9 and following) are:
a) financial;
b) prohibitory (a ban on the operation of business; suspension or withdrawal of authorisations, licences or franchises that could be used to commit crimes; a ban on contracts with public administration, unless for the purpose of provision of a public service; exclusion from benefits, funds, subsidies or tax breaks, and the withdrawal of those already granted; a ban on advertising goods or services);
c) confiscation;
d) publishing of the verdict.

The entity is also liable:
- for crimes committed abroad pursuant to article 4 of LD 231/2001, where these are not prosecuted by the state in which the events took place;
- where the perpetrator has not been identified or cannot be charged, or if the charge is quashed by a cause other than amnesty (article 8 of LD 231/2001).

1.2. Criminal offences identified by Legislative Decree no. 231/2001 (see Appendix)

1.3. The adoption of the Organisation, Management and Control Model as possible exemption from administrative liability

The adoption of Organisation, Management and Control Models may lead to exemption from liability when the entity has adopted a crime prevention system through the implementation of suitable measures geared to prevent and reduce the risk of unlawful conduct.
In particular, article 6 of the Decree states that, when the crime has been committed by a person in a leadership role, the entity is not liable if it is proven:

a) that through its executive body it has adopted and effectively implemented appropriate organisation and management models to prevent crimes of the same nature, prior to the commission of the crime;

b) that it has entrusted an internal body with independent powers of initiative and control with the task of overseeing the implementation of and compliance with this model, and also its updating;

c) that the individuals in leadership roles committed the crime by fraudulently evading the organisation and management model;

d) that there has been no omission or insufficient vigilance by the supervisory body referred to in section b).

The second paragraph of article 6 clarifies that, regarding the extension of delegated powers and the risk of crime, such models must:

1. identify the so-called “areas at risk” of crime pursuant to the Decree;
2. put in place specific protocols and procedures in order to plan the entity’s training and decision-making in relation to risk prevention;
3. stipulate ways of identifying and managing appropriate financial resources to prevent the commission of the crimes in question;
4. mandate the obligation of information regarding the body responsible for supervising the operation of and compliance with the Model;
5. introduce an internal disciplinary system to sanction non-compliance with the provisions of the Model.

Regarding individuals in subordinate positions, article 7 of the Decree states that the entity is liable if the commission of crime was made possible by non-compliance with the obligations of management or supervision. Nevertheless, failure to comply with the aforementioned obligation of management or supervision is excluded if, prior to the commission of the crime, the entity has adopted and effectively implemented a suitable organisation, management and control model to prevent crimes of the typed committed.
Paragraph 4 of the same article clarifies that "effective implementation of the model requires:
a) regular review and, if necessary, modification when significant breaches of the provisions are detected or when there are changes in the organisation or activity;
b) an appropriate disciplinary system to sanction non-compliance with the measures indicated in the model".

To this end, Models must:
(i) identify risks of the effective commission of crimes covered by the Decree, by analysing the specific circumstances and identifying areas, individuals, subjects and ways within the structure that said crimes may be committed;
(ii) introduce (and update) a preventive control system which, through ongoing activity that also takes changes in internal dynamics into account, defines protocols for conduct that can effectively combat the risks identified, reducing them to an "acceptable level";
(iii) put in place a system of disciplinary sanctions (regardless of the existence of prosecution) in the event of breaches of the Group's Code of Ethics and the Model, in order to ensure its effectiveness;
(iv) create a Supervisory Board with the specific characteristics of professionalism, autonomous powers and independent judgement, which operates continuously, to avoid gaps in the control system, oversee the suitability and effective implementation of the Model and supervise its updating;
(v) instate an obligation to inform on all structures and departments of the company regarding the Supervisory Board.

2 FUNCTION AND ADOPTION OF THE ORGANISATION AND CONTROL MODEL

2.1. Function and principles of the Model

The purpose of this Model is to create a preventive control system through the formalisation of procedures and control activities in order to prevent wherever possible the various types of crime outlined in the Decree, through the identification of areas at risk (risk assessment) and procedures for operation and control (risk management) with reference to the different companies in the Pellicano Hotels Group.
The adoption of the Model has the following aims:

- to inform all those who work in the name and on behalf of companies in the Group in at-risk areas that in the event of breaches of the provisions herein, they may incur not only disciplinary sanctions but also sanctions both criminal and administrative, which may lead to administrative liability pursuant to LD 231/2001;
- to highlight that any form of unlawful activity is strongly condemned by the Group as contrary not only to the law, but also to the ethical principles to which the companies seek to adhere in the course of their operations;
- to allow, through appropriate control processes, constant and organic monitoring of at-risk activities in order to ensure interventions to prevent crimes covered by the Decree.

In addition to the principles stated above, the cornerstones of this Model are:

the mapping of at-risk areas, i.e. activities attributable to individual companies in the Group, which may be open to the commission of crimes covered by the Decree;

the introduction or updating of formal procedures to govern operations in the at-risk areas identified;

at Group level, the establishment of a Supervisory Board with a specific duty to oversee the effective and proper functioning of the Model in relation to the activities carried out by the individual companies in the Group;

checking and documentation of at-risk operations and the establishment of information flows to and from the Supervisory Board;

compliance with the principle of separation of tasks between those carrying out essential work in an at-risk process, so that a single individual cannot independently manage all stages of the process;

the granting of power of attorney in accordance with organisational and management responsibilities;

checking company conduct and the functioning of the Model, with regular planned updates (ex post checks);

outreach and awareness raising at all corporate levels (and, each insofar as itself is concerned, third parties who have relations with companies in the Group) of the rules of conduct and the procedures established;

the establishment of an appropriate disciplinary system to respond to breaches of the rules contained in this Model;

traceability of decision-making processes regarding activities in areas which may be at risk of crimes covered in LD 231/2001.

2.2. The Group's Model and Code of Ethics

The rules of conduct contained in this Model are integrated with those of the Group's Code of Ethics to create a corpus of internal rules whose aim is to encourage a culture of corporate ethics and transparency and prevent the commission of crime.
In fact, in this regard,

- the Group's Code of Ethics is a comprehensive instrument that outlines the general principles of conduct that the companies consider their own and which must be observed by the Board of Directors, the Board of Auditors, independent auditors, shareholders, managers, employees, attorneys, contract workers or third parties who act in any form for the companies in the Group;

• the Model, on the other hand, contains specific provisions covered by the Decree, geared to prevent the commission of certain types of crime.

2.3. Adoption, updating and application of the Model

a) Adoption of the Model

Pellicano Hotels Group undertakes to adopt and update, including where requested and instructed by the Supervisory Board, this Organisation, Management and Control Model, by resolution of the Board of Directors of the holding company, incorporated by the Board of Directors of each company in the Group.

b) Application of the Model and checks on its implementation

The application of this Model is the responsibility of each individual company in the Group, in terms of their specific activities.
The Supervisory Board of the Group has the primary task of checking the implementation of this Model in the activities carried out by individual companies in the Group.
To this end, the Board of Directors of the holding company undertakes to provide an annual budget for the operation and activities of the SB.

3. THE SUPERVISORY BOARD

3.1 Identification and position of the Supervisory Board

The Supervisory Board acts in accordance with the following requirements:

- autonomy and independence;
- professionalism and integrity;
- continuity of action.

Autonomy and independence

The criteria of autonomy and independence are fundamental so that the SB can carry out its supervision of the functioning and compliance of the Model, which the Decree itself requires as a condition for the entity's exemption from liability. This demands that the role assigned to the SB must ensure that it can take the initiative in terms of the controls required in complete freedom, without interference and/or external influence from other bodies within the entity. To this end, the SB is not directly involved in management/consulting activities of the entity, which would make it a participant in operational decisions and thus undermine its objective judgement in checks made on said activities. Furthermore, it is desirable that the SB does not find itself in a position of actual or potential conflict of interest with other corporate bodies or third parties with which the company is in commercial relationships.

Professionalism and integrity

The SB should possess appropriate technical and professional expertise for its intended function.

In this way, its skills and knowledge will be guaranteed in two areas in particular:

- inspection and analysis of the corporate control system;
- legal expertise, in particular relating to criminal matters (e.g. knowledge of the structure and modes of committing crimes and criteria for indictment of the entity's administration).

In terms of integrity, members of the SB must not have previously committed actions that affect their honesty and reputation, such as a criminal record or other hypotheses indicated below as causes for ineligibility or removal from the role.

Continuity of action

Effective implementation of a complex and wide-ranging Model requires the SB to operate in a stable manner to carry out its appointed functions, to have an effective and in-depth understanding of corporate processes, and to be informed immediately of critical issues.

The task of overseeing (i) the functioning of this Model, (ii) its effectiveness in relation to the corporate structure and its actual capacity to prevent the commission of crimes contained in the Decree and (iii) compliance with the Model by recipients, as well as (iv) its updating, is therefore entrusted to a Supervisory Board (hereinafter SB) appointed by a resolution of the Board of Directors of the *holding company*, incorporated by the B of D of each company in the Group, subject to evaluation of the aforementioned requisites and determination of fixed remuneration alongside a *yearly operational budget.*

The term of the SB is three years, with the option of renewal.

In order to guarantee the requisites listed above, the appointment of the SB and its remaining in post is therefore dependent on the absence of the following causes of incompatibility, which constitute reason for ineligibility and removal from the post:

Relating to autonomy and independence:

- marriage, kinship to the fourth degree and affinity to the second degree with members of the Board of Directors of companies in the Group;
- direct or indirect ownership of shares in companies in the Group;
- being a proxy or holding power of attorney for companies in the Group;

Relating to integrity

- being legally incapacitated, restricted, bankrupt or convicted of an offence that entails a ban, including temporary, suspension from public office or the inability to exercise executive power over legal persons or entities;

- having a definitive criminal record (including after serving the sentence on the request of the parties pursuant to articles 444 and subsequent of the Italian criminal code) for the crimes of fraud or gross negligence stipulated in the Decree as predicate offences;
- having committed breaches of the Model that entailed the application, including as a precautionary measure, of the sanctions outlined in the Decree by the company;
- being subject to preventive measures.

Relating to continuity of action, in the carrying out of its work, the SB has free access to all data / information / deeds / documents of companies in the Group, without the need for prior consent, and may when necessary draw on external professionals to assist with checks, advice or technical support.
Furthermore, the SB undertakes to self-regulate all other aspects pertaining to the continuity of its work, including, in particular, scheduling, recording its checking and control activities and filing relevant documentation.
By doing this, the SB will help to:

- maintain up-to-date mapping of at-risk areas in the corporate environment, through checks on the activities carried out;
- carry out regular checks focused on specific operations or actions occurring within at-risk areas;
- verify the coherence of actions taken by individuals with the power of attorney, both in terms of definite corporate and executive responsibilities and also in terms of powers conferred by the delegating body;
- put in place appropriate initiatives for the circulation and understanding of the principles contained in this Model and have access to the internal corporate documentation necessary for the functioning of the Model, containing instructions, explanations and/or updates;
- collect, elaborate and store information relevant to compliance with the Model, and keep an up-to-date list of information that must be received by it or made available;
- coordinate with other company departments to improve monitoring of activities in sensitive areas;

- check the actual presence, correct storage and effectiveness of documentation requested in accordance with the provisions of the Model;
- conduct internal investigations to ascertain alleged breaches of the provisions of this Model;
- coordinate with the various heads of company departments in the Group on aspects pertinent to the effective implementation of this Model (definition and insertion into contracts, staff training, disciplinary procedures etc);
- request appropriate modifications to the Model when substantial breaches of its provisions are discovered or when changes occur in the organisation or its activities.

The Supervisory Board is based in the offices of the company and can be contacted by standard post or email at the dedicated address (**odv@pellicanohotels.com**).
To guarantee the criteria of autonomy, independence and continuity, and to safeguard its supervisory role, the SB cannot be removed without just cause, through a special resolution by the Board of Directors of the holding company, incorporated by the BoDs of the individual companies in the Group.
In this regard, examples of dismissal for just cause may be:

- the occurrence of one of the causes for removal from the role indicated in the Model or the regulations of the SB;
- serious non-fulfilment of its duties, as stated in the Decree and/or in this Model, and also in the regulations issued by the SB;
- the passing of a ruling entailing the application on the company, even as a cautionary measure, of sanctions contained in the Decree, which involve omission or insufficient vigilance by the SB, pursuant to article 6, paragraph 1, subsection d) of the Decree;
- breach of the obligation of confidentiality, as stated in the Model and the SB regulations.
- In the event of dismissal or any other instance in which the SB is absent, for example due to death or resignation, the Board of Directors will proceed immediately to its replacement.

3.2. Reporting to corporate bodies

Once a year the Supervisory Board will present to the Board of Directors and the Statutory Board of Auditors a written report of its activities during the period, any critical issues in terms of the Model's effectiveness, initiatives taken or to be taken to remove any anomalies, critical issues or organisational gaps encountered, or to update the Model in response to new legislation or changes in the organisation or activities of companies in the Group.
The SB may however be convened at any time by the aforementioned bodies, and, in turn, it has the right to request the convening of said bodies regarding the functioning of this Model and specific situations.

3.3. Information flows to and from the Supervisory Board

Article 6, paragraph 2, subsection d) of the Decree states that the Model must "*impose an obligation to provide information to the body appointed to oversee its operation and compliance with models*".
The provision of a structured system of information flows to and from the SB is an essential tool to ensure oversight of the effectiveness and correct operation of the Model, as well as for any ex post ascertainment of causes that have allowed the commission of crimes contained in the Decree.
To this end, therefore, recipients must inform the SB of any violations of the provisions of this Model and the Group's Code of Ethics, and comply with the obligation to inform.

3.3.1 Reporting by company representatives or third parties

Without prejudice to the obligation on superior or subordinate individuals (pursuant to article 5, paragraph 1, subsections a) and b) respectively of LD 231/2001) to inform the Supervisory Board of unlawful conduct pursuant to LD 231/2001 or any violation or suspected violation of this Model of which they may have become aware in the course of their work, in accordance

with the provisions of article 6, paragraph 2-bis of LD 231/2001, as amended by LD 24/2023, which incorporates into Italian law Directive (EU) 2019/1937 of the European Parliament and Council of 23 October 2019, in order to guarantee confidentiality regarding the identity of the whistleblower in the reporting procedure, the company has established an **internal reporting channel** for the Supervisory Board, which is also identified as **Manager** of reporting pursuant to article 4, paragraph 5 of LD 24/2023 (hereinafter "Manager")[1], as well as Data supervisor pursuant to Regulation (EU) 2016/679 (GDPR) under the conditions indicated in the **guidelines freely accessible as published in the dedicated Whistleblowing section of the Group's website** (*https://www.pellicanohotels.com/it*), which is referred to as an integral part of this Model).

In particular, reports may concern conduct, actions or omissions that damage the public interest or integrity of the public administration or private company, consisting of:

a) substantial unlawful conduct pursuant to LD 231/2001 and breaches of the Group's organisation, management and control Model not covered by those listed in subsections c), d), e) and f) below;

b) administrative, accounting, civil or criminal offences not covered by those listed in subsections c), d), e) and f) below;

c) violations that fall under the remit of European Union or Italian legislation - indicated in the Appendix to LD 24/2023 - or national laws that constitute the incorporation of EU law indicated in the appendix to Directive (EU) 2019/1937 (even if not covered by the appendix to the Decree) with reference to the following sectors: public contracts; goods, services and financial markets and prevention of money laundering and funding of terrorism; product safety and conformity; transport safety; environmental protection; radiation protection and nuclear safety; safety of food, animal feed and animal welfare; public health; consumer protection; protection of private life and data, and security of networks and information systems;

d) actions or omissions that damage the financial interests of the EU, pursuant to article 325 of the Treaty on the Functioning of the European Union, specified in the rights derived from membership of the EU;

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[1] In the event that the whistleblower's report concerns the SB, this will promptly inform the Board of Directors, which will proceed as deemed appropriate, for example by the appointment of an ad hoc Manager.

e) actions or omissions concerning the domestic market, pursuant to article 26, paragraph 2 of the Treaty on the Functioning of the European Union, including violations of EU legislation on competition and state aid, as well as breaches concerning the domestic market related to actions that contravene the law in terms of company tax or mechanisms aiming to obtain fiscal advantage which jeopardise the aim or purpose of applicable legislation on company tax;

f) actions or omissions that jeopardise the aim or purpose of the provisions of EU laws.

Reports may be made by the following:

a) all employees of companies in the Group;

b) self-employed workers who work for companies in the Group[2] ;

c) employees or contract workers who carry out their work for companies in the Group by providing goods and services, or who work on behalf of third parties;

d) self-employed professionals and consultants who work for companies in the Group;

e) volunteers and paid or unpaid interns who work for companies in the Group;

f) shareholders and those in administrative, management, oversight, surveillance or representative roles for the Group, including when such roles are solely *de facto* in nature.

Internal reports may be made in one of the following ways:

- in writing, including by digital means, through the encrypted platform accessed from the Group's website ***(https://www.pellicanohotels.com/it)***, on the **Whistleblowing** link for each individual property;
- in writing, to the email address **odv@pellicanohotels.com**;
- in writing, via standard post to the address **Località Sbarcatello snc 58019 Monte Argentario – frazione Porto Ercole**, with the legend '*"SB-Manager of whistleblowing"*;
- orally, on the whistleblower's request in a face-to-face meeting arranged within a reasonable time period.

[2] As self-employed workers, including those referred to in section I of L. 81/17 and those in partnership relationships pursuant to article 409 of the Italian criminal code and article 2 of LD 81/15 who carry out their work in public sector or private sector organisations.

Regardless of their origins, reports will be received and archived in accordance with the requirement for confidentiality pursuant to Regulation (EU) 674/2016 and LD 196/2003 as amended, by the SB, which:

- will issue a return receipt within 7 days of receiving the report;
- will respond to the report within 3 months of the aforementioned return receipt or, in its absence, of the end of the 7-day period.

The SB will evaluate all reports received, including anonymous reports, and where necessary interview the whistleblower and/or the alleged perpetrator of the breach, recording the outcome of their investigations and giving reasons for any decisions made.

In all cases the SB must protect the whistleblower from any form of retaliation, discrimination or punishment by ensuring confidentiality regarding the whistleblower's identity, without prejudice to legal obligations and the protection of the company and/or individuals accused erroneously and/or in bad faith.

Notwithstanding the obligation to promptly inform the individual responsible for the exercise of disciplinary powers for violations ascertained on the basis of whistleblowing, the SB will add to its annual report to the Board of Directors an account of reports received about activities concerning individual companies in the Group and the results of subsequent investigations.

The sending of unfounded, fraudulent of negligent reports constitutes a disciplinary offence pursuant to this Model (see paragraph 5 below), as does failure to report crimes covered by the Decree related to the activities of individual companies in the Group, or breaches or conduct not in line with the general principles and/or rules of conduct adopted in the Group's Code of Ethics and/or in this Model.

The application of retaliatory or discriminatory measures to anyone who, in good faith, sends a report constitutes a disciplinary offence pursuant to the aforementioned Model (as in

paragraph 5 below) and, in all cases, such measures will be considered null and void, the onus of proving their non-retaliatory nature being on the person applying said measures.

3.3.2 Obligations to communicate official actions

In addition to reports, including unofficial reports, referred to in the previous paragraph, the following information must also be forwarded to the SB:

measures and/or updates from the judiciary, police and court bodies or any other authority, which give information about the progress of investigations, including where there are unknown factors, concerning companies in the Group and relating to crimes covered by the Decree;

checks and inspections ongoing and/or completed by the public supervisory authorities on companies in the Group;

requests for legal assistance made by employees and/or contract workers not subordinate to companies in the Group in the event of a court case relating to crimes covered by the Decree;

reports prepared by heads of company departments as part of their supervisory role, which may reveal facts, actions, events or omissions that are critical to compliance with the provisions of the Decree;

updates regarding the effective implementation at all levels of the company of this Model, with evidence of disciplinary procedures carried out and any sanctions imposed, or the filing of such procedures with the related reasons;

the organisational structure of the Group, the distribution of powers and the delegation and proxy system adopted by each individual company in the Group, and any subsequent changes;

any observations made concerning the financial statements of individual companies in the Group or the financial statement consolidated by the Board of Auditors and/or independent auditors, prior to their final approval;

the regular list of donations made by companies in the Group;

any transactions made abroad by companies in the Group.

4. TRAINING AND INFORMATION

4.1. Staff training

For the purposes of the correct application of the specific rules of conduct referred to in the Special Sections of this Model, the Group undertakes to guarantee that all staff (e.g. administrators, managers, hotel directors or heads of departments, permanent or seasonal workers, contract workers, consultants, suppliers, contractors etc), each insofar as itself is concerned, are informed of the main contents and operational methods needed in order to ensure compliance with the provisions of this Model in the course of their respective work for companies in the Group.
Staff training will be carried out in close cooperation with the SB, through the publication of documents on the website, the circulation of staff communications or informative sessions for significant roles (leadership or staff).

4.2. Informing third parties

The Group encourages knowledge of and compliance with the rules contained in this Model and the principles expressed in the Group's Code of Ethics also by external bodies, each insofar as itself is concerned (in particular suppliers, contractors, consultants and other parties) through the insertion in contracts signed by individual companies in the Group of appropriate contractual clauses binding third parties to comply and ensure compliance, each insofar as itself is concerned, of the aforementioned procedures, rules and protocols, under penalty of disciplinary sanctions (reduction of pay, fines etc) including, in the most serious cases, termination of the contract.

5. DISCIPLINARY SYSTEM

5.1. General principles

Pursuant to articles 6, paragraph 2, subsection e) and 7, paragraph 4, subsection b) of the Decree, the Model can be considered effectively implemented only when an appropriate disciplinary system has been introduced to sanction non-compliance with the provisions therein.
The application of disciplinary sanctions is regardless of the outcome of any criminal procedure, as the internal rules of conduct and procedures are adopted by companies in full autonomy, independent of the illegality of any conduct.

In particular, the current disciplinary system is based on the general principles referred to in subsections a), b), c), d) and e) below:

a) specificity of the offence and sanctions
A disciplinary offence, depending on the individual's corporate status and/or position and/or responsibilities within the company, and regardless of the seriousness of the facts, is deemed to be a breach of the rules of conduct outlined in the Group's Code of Ethics and this Model, and in particular:
failure to comply with protocols geared to planning training and the implementation of decisions made by companies in the Group relating to crimes to be prevented or methods of managing financial resources;
- violation of the obligation to inform the SB;
- falsification of documents relating to operations carried out during inspections;
- destruction, concealment and/or alteration of corporate documentation relating to the Group;
- falsification of reports and/or information forwarded to the SB;
- obstruction of the work of the SB, the Board of Auditors or independent auditors;

- violation of the obligation of documentation and traceability of operations;
- failure of leadership figures to observe the obligation of management and/or oversight that made it possible for subordinates to commit crimes;
- abandonment, without reasonable cause, of position by staff members who have been specifically entrusted with supervision, surveillance and control tasks;
- failure to document, even in summary form, operations and results of checks carried out within the Group;
- failure to document operations carried out during inspections by public authorities;
- failure to file copies of official documents addressed (through external lawyers or experts) to judges, members of arbitration boards or expert witnesses asked to rule in any dispute relating to companies in the Group;
- failure to forward to the SB the financial statements of each company in the Group and/or the consolidated financial statement;
- the issue of invoices and/or credit notes without full and understandable indication of the products or services supplied and other obligatory data;
- the agreement with consultants of fees exceeding the normal market rates and without justified reasons and/or related documentation;
- cash payments made or received by companies in the Group exceeding the limits permitted by law at the time of the payment;
- payments made to public administration or public officials without the appropriate documentation regarding the type of transaction and without filing;
- payments made from or received by bank accounts opened abroad through foreign intermediaries without justified reasons and/or relevant documentation;
- accessing company IT systems without authorisation and the proper access codes;
- unjustified absence from training or refresher courses relating to risk prevention;
- failure to comply, in accordance with the position and expertise, with the provisions of laws in force at the time of the events, concerning hygiene and safety in the workplace;
- any form of retaliation, discrimination or punishment carried out on whistleblowers, pursuant to article 6, paragraph 2-bis of LD 231/2001 in response to their reporting;
- violation of measures to protect whistleblowers, pursuant to LD 24/2023;

- forwarding of groundless, fraudulent or negligent reports or, in any case, violation by the whistleblower of the relevant rules established by LD 24/2023 as amended.

b) proportionality and suitability of sanctions for the offence

In deciding the application/scope of sanctions, the following must be considered for every individual disciplinary offence:

1) whether the violation is committed by action or omission;
2) whether the violation is fraud or gross negligence and, respectively, to what degree;
3) previous conduct (prior behaviour within the company, in particular whether the individual has previously incurred sanctions and any repeat of violations of the same type as those reported);
4) subsequent conduct (if the individual has cooperated, including to prevent or lessen potential consequences of the offence for companies in the Group, has admitted responsibility and expressed sincere regret);
5) the person's position within the company (corporate body, leadership, subordinate to other managers and supervisors, third party);
6) effects on the person's fiduciary relationship with the company;
7) the degree of proximity to one of the predicate offences pursuant to LD 231/2001;
8) all other circumstances of the specific case (method, timing, importance of the offence in terms of company activities etc).

c) applicability to all (corporate bodies, leaders, subordinates, third parties)

The disciplinary system outlined in this Model applies to members of the Board of Directors and the Board of Auditors, the Supervisory Board, employees, non-subordinate employees and all third parties (customers, suppliers, consultants, contractors, auditors etc) who are in any type of relationship with companies in the Group, within said relationship.

d) promptness and immediacy of sanctions, notification to the person in question (in writing, except verbal warnings) and guarantee of the rights to response and cross-examination

The procedure for imposing sanctions within this disciplinary system takes into account the specifics of the case and the status of the individual involved.

In particular:

- for members of the Board of Directors, the Board of Auditors, independent auditors and shareholders, disciplinary action is determined by a meeting of shareholders;
- for the SB, the power of disciplinary action lies with the Board of Directors of the holding company (subject to resolution forwarded by the B of D of individual companies in the Group;
- for executives and subordinates (employees, non-subordinate employees etc) and third parties, disciplinary action is exercised by the CEO, in their capacity as employer.

e) circulation and transparency

This disciplinary system must be circulated to employees through communication and/or publication on the Group's corporate website; to corporate bodies, upon approval of this organisational Model; to third parties through appropriate contractual clauses and publication, including in extract form, on the Group's website.

5.2. Sanctions for managers, employees and representatives

Failure to comply with and/or breach of the rules of conduct established in this Model on the part of employees of individual companies in the Group constitutes non-fulfilment of contractual obligations, as well as a disciplinary offence.

Any conduct by an employee of a company in the Group that qualifies, on the basis of the previous paragraph, as a disciplinary offence, also constitutes a breach of the obligation to carry out their assigned duties with maximum diligence and to obey the instructions of the company in question.

Regarding applicable sanctions, these will be applied by the CEO, in their role as employer, in accordance with the provisions of the company's disciplinary system and the procedures established in the relevant national collective labour agreement (tourism, public services, food

services and catering, hospitality) as applicable at the time and to individual recipients of this Model.

Sanctions due may be divided into conservative disciplinary procedures (verbal or written warning, fine of up to three hours' pay, suspension for up to three days) and decisive disciplinary procedures (dismissal with or without notice) and are applied on the basis of the importance of the specific instances in question.

For the purposes of detailing the criteria relating the conduct of workers (administrative or seasonal) with the disciplinary sanctions applicable, the following applies:

1) conservative disciplinary procedures are incurred by those who violate internal procedures or whose conduct does not comply with the provisions of this Model (e.g. failure to follow required procedures, failure to provide the SB with due information, failure to carry out checks or report to their line manager or the SB etc), with the obligation to define such conduct as failure to carry out orders of the company, either verbally or in writing. In particular, the following apply:

- **verbal warning**, in cases of slight violations of the provisions of this organisational Model;
- **written warning**, in cases of violations slightly more serious than those meriting a verbal warning, but less serious that those requiring a fine, or also in cases where a verbal warning has to be repeated;
- **removal of powers** (where the individual is a proxy);
- **fine** not exceeding the value of three hour's normal pay, in cases of breaches of the provisions of this Model that show negligence on the part of the employee in the execution of their assigned duties, but less serious than those requiring suspension of pay, or also in cases where a written warning has been given for a third time;
- **suspension from post without pay for a maximum of 10 days**, in cases of breaches of the organisational Model which, albeit not sufficiently serious to merit termination of employment without notice or dismissal in accordance with the law:

a) in addition to showing negligence in the execution of their work, also cause harm, or potential harm, to companies in the Group;

b) are a recurrence of breaches meriting a fine and not requiring dismissal.

2) decisive disciplinary procedures (dismissal with or without notice) are incurred by those who:

adopt, in the course of their work in at-risk areas, conduct that fails to comply with the provisions of the Model and that is unequivocally geared to the commission of a crime sanctioned by the Decree, with the obligation to deem such conduct a serious breach of discipline or diligence and a cause to radically undermine the company's trust in the worker;

adopt, in the course of their work in at-risk areas, conduct which is clearly in breach of the provisions of this Model, meriting the concrete application by companies in the Group of measures established by the Decree, with the obligation to deem such conduct as to the moral or material detriment of the company and not meriting continuance of the relationship, even temporarily;

violate corporate secrecy;

commit multiple breaches meriting suspension without pay.

These procedures will be implemented in the forms established by the aforementioned national collective labour agreement and in accordance with the provisions of article 7 of the Workers' Statute.

The application of disciplinary sanctions must be reported without delay to the Supervisory Board.

With particular reference to the **executive director**, in the event of serious breach of one or more provisions of this Model or the Code of Ethics which constitutes substantial violation, or in the event of breaches that irreparably damage the fiduciary relationship with individual companies in the Group, the relevant Board of Directors will adopt the sanctions above that it deems most appropriate.

5.3. Sanctions on members of the Board of Directors, Board of Auditors, independent auditors, Supervisory Board or shareholders

With the exception of liability actions pursuant to article 2392 of the Italian criminal code, in the event of breaches of the Model by members of the Board of Directors or the Board of Auditors, the shareholders' meeting may impose, on the suggestion of and in consultation with

the SB and depending on the gravity of the offence (on the basis of the criteria listed in point b) below) and the individual responsible, the following disciplinary sanctions:
- **formal or written reprimand;**
- **removal of responsibilities and/or powers of attorney and/or proxy;**
- **reduction in remuneration or commissions;**
- **termination or suspension from post for lack of honesty and/or professional conduct;**
- **removal for just cause.**

In the event of breaches of the Model by members of the SB, administrators or independent auditors, the Board of Directors may apply, on the suggestion of and in consultation with the SB and depending on the gravity of the offence (on the basis of the criteria listed in point b) below), the following disciplinary sanctions:
- **formal or written reprimand;**
- **reduction in remuneration;**
- **termination or suspension of post** (or removal of powers of attorney or proxy for administrators) for lack of honesty and/or professional conduct.

In the absence of compensation for damage suffered, in the event of breaches of this Model by shareholders, the assembly may apply, on the suggestion of and in consultation with the SB and depending on the gravity of the offence (on the basis of the criteria listed in paragraph 5.1 subsection b) above) the following disciplinary sanctions, to which shareholders are bound by their effective approval of this organisational Model:
- **formal or written reprimand;**
- **monetary sanctions commensurate with the face value of their shares;**
- **exclusion as shareholder.**

5.4. Sanctions on third parties (customers, suppliers, consultants etc)
Any conduct by suppliers, non-subordinate employees or commercial partners of companies in the Group that contravenes the rules of conduct stipulated in this Model, entailing the risk of commission of an offence sanctionable by the Decree, may incur - depending on the

provisions of specific contractual clauses in their agreements or commissions - the application of previously agreed sanctions or, in the most serious cases, the termination of the contractual relationship, without prejudice to claims for compensation for damage, when such conduct causes concrete damage to companies in the Group, as in cases when the competent judge applies measures provided for in LD 231/2001.

6. RULES FOR THE COMPANY'S DEFENCE IN CRIMINAL PROCEEDINGS

In the event that a company in the Group is involved in criminal proceedings in the course of which its liability is or may be disputed pursuant to LD 231/2001 or is notified of such, where its legal representative is under investigation for the alleged crime, the Board of Directors of the company in question, acknowledging potential conflicts of interest, may proceed, through a due resolution, to nominate an ad processum legal representative of the company, who will be entrusted with the task of appointing trusted defence lawyers and, in any case, represent the company, protecting its interests in all ways and at every stage in the aforementioned criminal proceedings, with an obligation to report regularly to the Board of Directors.

SPECIAL SECTIONS

Omissis