ORGANIZATION, MANAGEMENT AND CONTROL MODEL PURSUANT TO D. LGS. 231, 8 JUNE 2001
SECTION 1 - ADMINISTRATIVE DECREE 231, 8 JUNE 2001

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1.1. Administrative liability of entities

Legislative decree 231 (8 June 2001), which disciplines the “administrative liability of legal entities, companies and associations, including those without corporate status” (hereafter also “D. Lgs. 231/2001” or simply the “Decree”), and came into force on 4 July 2001 to implement art. 11, delegated law 300 (29 September 2000), introduced the administrative liability of entities, where “entities” means commercial firms, corporations and partnerships, and associations, including those without corporate status, into the Italian legal system to assimilate the provisions of EU legislation.

The Decree was also designed to bring Italian law on the liability of legal entities in line with certain international conventions which the Italian Republic had already adopted, and in particular:

- Brussels Convention of 26 July 1995 on the safeguarding of the financial interests of the European Communities;
- Brussels Convention of 26 May 1997 on fighting corruption of officials in the European Union and its member states;
- OECD Convention of 17 December 1997 on fighting corruption of foreign public officials in economic and international operations.

Although defined “administrative” by the lawmakers, this new form of liability has the precise nature of criminal liability in that it is the competent criminal magistrate who ascertains the offences underlying such liability and the entity in question has the same guarantees as those in criminal proceedings.

The administrative liability of an entity lies in the commission of offences expressly indicated in D. Lgs. 231/2001 in the interest or to the advantage of the entity itself by individuals charged with functions of representation, administration or direction of the entity or of an organizational unit thereof having financial and functional autonomy or who exercise management and control (so-called “senior subjects”), even unofficially, or who are subject to the direction or supervision of one of the aforementioned subjects (so-called “subordinate subjects”). Conversely, in the case of an advantage exclusive to the individual who commits the offence, the liability of the company is excluded in that it is totally and manifestly extraneous to the offence committed.

In addition to the existence of the requisites described above, D. Lgs. 231/2001 also requires ascertainment of blame on the part of an entity in order to be able to affirm its liability. Such requisite is grounded on an “organizational fault”, meaning the entity’s failure to adopt adequate measures to prevent the commission of the offences listed in the following section by the subjects indicated in the Decree.

Where an entity is able to show that it adopted and effectively implemented organizational measures to avoid the commission of such offences by adopting an organization, management and control model as provided for in D. Lgs. 231/2001, such entity shall not be held administratively liable.

It must be pointed out that the administrative liability of the legal entity is in addition to its criminal liability, but this does not annul the liability of the individual who materially committed the offence. Both liabilities have to be ascertained before a criminal magistrate.
Corporate liability may also occur if the alleged offence was in the form of an attempt (pursuant to art. 26, D. Lgs. 231/01), i.e. when an individual carries out acts unequivocally intended to commit an offence and the action is not carried out or the event does not occur.

### 1.2. Offences listed in the Decree

The offences whose commission provides grounds for the administrative liability of an entity are those expressly indicated in D. Lgs. 231/2001 and subsequent amendments and additions.

Listed below are the “categories of offence” currently within the scope of application of D. Lgs. 231/2001. Further details of the various types of cases covered by each category can be found in ANNEX 1 hereto.

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<th>Categories of offence under D. Lgs. 231/2001</th>
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1.3. Sanctions applicable under the Decree

The system of sanctions defined by D. Lgs. 231/2001 for the above listed offences provides for the following types of sanction, depending on the offence committed:

- pecuniary sanctions;
- interdictory sanctions;
- confiscation of the proceeds of the offence;
- publication of a Court sentence in national daily newspapers.

Interdictory sanctions, which may only be inflicted where expressly provided for and also as a cautionary measure, are as follows:

- debarment from doing business;
- suspension or revocation of authorizations, licences or concessions involved in the commission of the offence;
- disqualification from contracting with the public administration;
- exclusion from special conditions, loans, contributions or subsidies and/or revocation of those already granted;
- debarment from advertising goods or services.

D. Lgs. 231/2001 also provides that where there are grounds for applying an interdictory sanction that would entail the interruption of a company’s business, the magistrate may instead of applying such sanction order continuation of business by a Court-appointed manager (art. 15) for a period of time equal to the duration of the sanction that would have been applied, provided at least one of the following conditions holds:

- the company provides a public service or service of public necessity whose interruption might seriously affect the community;
- the interruption of business may have significant repercussions on employment levels, depending on the size of the company and the economic situation of the area in which it is situated.

1.4. EXEMPTION FROM ADMINISTRATIVE LIABILITY

Art. 6, D. Lgs. 231/2001 provides that an entity shall not be held administratively liable if it shows that:

- prior to commission of the act, the management adopted and effectively implemented organization, management and control models to prevent offences of the same sort as the one committed;
- the task of overseeing operation of and compliance with the models and keeping them updated was entrusted to a unit of the entity possessing autonomous powers of initiative and control (so-called Supervisory Body);
- individuals committed the offence by fraudulently eluding organization, management and control models;
- supervision by the Supervisory Body was neither omitted nor insufficient.

Adoption of the organization, management and control model thus enables an entity to avoid being held administratively liable. Mere adoption of such document by resolution of the entity’s management is not in itself sufficient to exclude said liability, it being necessary for the model to be effectively operated.
For the organization, management and control model to be considered capable of preventing the perpetration of the offences contemplated in D. Lgs. 231/2001 it must:

- Introduce a suitable disciplinary system to sanction non-compliance with the provisions of the organization, management and control model.
- Provide for specific protocols planning the formulation and implementation of decisions by the entity on the offences to be prevented.
- Make the body in charge of supervising the operation of and compliance with the models responsible for providing due information.
- Define procedures for managing the financial resources needed to prevent perpetration of offences.
- Identify the business activities within the context of which the offences could be committed.

Regarding effective application of the organization, management and control model, D. Lgs. 231/2001 requires:

- Periodical review of the organization, management and control model and modification of same if any significant infringements of its provisions are found or if there have been changes to the entity’s organization or business or new legislation;
- Application of sanctions in cases of infringement of the provisions of the organization, management and control model.

1.5. OFFENCES COMMITTED ABROAD

Under article 4 of the Decree, an entity may be held liable in Italy for the commission of certain offences outside the country’s borders. In particular, art. 4 of the Decree provides that entities headquartered in Italy are also liable for offences committed abroad in the cases and conditions contemplated in articles 7 to 10 of the penal code, provided the entity is not being prosecuted in the country where the act was committed.

An entity may therefore be prosecuted when:
- Its headquarters, meaning the offices where administration and direction are carried out, which may also be different from where the company or its registered office is located (entities with corporate status) or where activity is carried on continuously (entities without corporate status) are in Italy;
- The entity is not being prosecuted by the country in whose jurisdiction the act was committed;
- The motion of the Justice Ministry, to which criminal liability may be subordinated, also refers to the entity itself. Such rules regard offences committed wholly abroad by senior management figures or their subordinates.

In the case of criminal conduct taking place only partially in Italy, the principle of territory in art. 6 of the penal code applies, whereby an “offence is deemed committed in the territory of the State when the act or omission constituting it took place wholly or partially there or when the event arising from the act or omission occurred there”.

Introduce a suitable disciplinary system to sanction non-compliance with the provisions of the organization, management and control model.
Provide for specific protocols planning the formulation and implementation of decisions by the entity on the offences to be prevented.
Make the body in charge of supervising the operation of and compliance with the models responsible for providing due information.
Define procedures for managing the financial resources needed to prevent perpetration of offences.
Identify the business activities within the context of which the offences could be committed.
1.6. CONFINDUSTRIA GUIDELINES

Art. 6, D. Lgs. 231/2001 expressly provides that organization, management and control models may be adopted along the lines of ethical codes produced by associations representing entities. The Confindustria Guidelines were approved by Justice Ministry decree dated 4 December 2003. A subsequent update published by Confindustria on 24 May 2004 was approved by the Justice Ministry, which judged such Guidelines capable of achieving the purposes of the Decree. Said Guidelines were updated by Confindustria in March 2014 and approved by the Justice Ministry on 21 July 2014.

In defining the organization, management and control model, the Confindustria Guidelines contemplate the following phases:

- identification of risks, involving analysis of the business context to identify the areas of activity and ways in which the offences indicated in D. Lgs. 231/2001 could occur;
- development of a control system to prevent the risks of offence identified in the previous phase by assessing the existing control system within the entity and its adequacy with respect to the requirements indicated in D. Lgs. 231/2001.

The key elements of the control system outlined in the Confindustria Guidelines to guarantee the efficacy of an organization, management and control model are as follows:

- provision of ethical standards and rules of conduct in a Code of Ethics or Conduct;
- an organizational system that is sufficiently updated, formalized and clear, especially with regard to assignment of responsibilities, hierarchical reporting lines and description of tasks with specific provision for control principles;
- manual and/or digital procedures disciplining conduct of business, with provision for suitable checks;
- powers of authorization and signature in line with the organizational and operating responsibilities assigned by the entity, with provision for any appropriate spending limits;
- control systems which, considering all the operating risks, are capable of promptly signalling the existence or onset of critical situations, whether general or special;
- information and communication addressing personnel, characterized by capillarity, efficacy, authoritativeness, clarity and sufficiently detailed and periodically repeated, as well as a personnel training programme covering the various employee grades.

The Confindustria Guidelines also specify that the above described control system elements must conform to a series of control principles including:

- verifiability, traceability, consistency and congruity of all operations, transactions and actions;
- application of the principle of separation of functions and segregation of tasks (no one may independently manage an entire process);
- introduction, implementation and documentation of audits of offence-prone processes and activities.
2.1. COMPANY

Padanaplast S.r.l. (hereafter also “Padanaplast” or “the Company”) began operations in 1971 in Roccabianca (province of Parma) to produce plastic compounds. In 1978, thanks to its acquisition of a patent (Sioplas® technology), it began producing innovative new products (PEX compounds for making pipes for domestic hot and cold water and heating), which enabled it to expand in Europe and worldwide. With its constant commitment to innovation and research, the company was among the first, in 1982, to develop and produce new halogen-free compounds capable of limiting the spread of fire. Known under the brand Cogegum®, these products are used in the production of electrical cables and are particularly valued for their physical-mechanical characteristics and their capacity to release water molecules in the event of a fire. The Roccabianca facility currently produces over 70 polymer compounds, in various families, that are sold in over 60 countries. In 2000, the company joined Solvay, the Brussels-based world-leading international chemical and plastics group, thus further strengthening its market position.

In 2017, Padanaplast was acquired by Gruppo Finproject, a company based in Morrovalle and a world leader in the production of compact and expanded PVC compounds and the production and moulding of footwear soles and ultra-lightweight articles. The company’s main aim is to maintain its leadership in the production of cross-linkable compounds by developing innovative, high value added products, guaranteeing the highest quality standards for its clients and continual geographical expansion.

2.2. GOVERNANCE AND ORGANIZATION STRUCTURE

The Company adopts a traditional management system based on its shareholders’ meetings, a Board of Directors and a statutory audit committee, while an external audit firm is engaged to provide accounting audits.

2.3. ADDRESSEES

The provisions of this Model are binding on those who perform the functions of representation, administration or direction of the Company, as well as all the employees of Padanaplast S.r.l. and everyone who contributes to the achievement of the Company’s purpose and objectives (hereafter the “Addressees”).

Other addressees of the general principles of the Model, insofar as is applicable within the limits of existing relationships, are those who though not belonging to the Company operate in its name or on its behalf or are in any way linked to the Company by significant legal relationships with respect to the prevention of offences.

The Model’s Addressees are under obligation to comply with the utmost precision and diligence with all its provisions and protocols and all the procedures for their implementation.

2.4. PURPOSES OF THE MODEL

Within the context illustrated above, Padanaplast understands the need to ensure conditions of fairness and transparency in conducting its affairs and business activities in order to safeguard its image and reputation, the expectations of its stakeholders and the work of its employees. It is also aware of the importance of adopting an Organization, Management and Control Model pursuant to D. Lgs. 231/2001 (hereafter the “Model”) capable of preventing the occurrence of illicit conduct on the part of its directors, employees and partners subject to direction or supervision by the Company.

Although adoption of the Model is not a mandatory requirement of the Decree but an option that entities may choose, the Company decided for the aforementioned reasons to comply with the provisions of the Decree and launched a project to analyze its organization, management and control instruments and verify the compliance of the standards of conduct and control protocols already in place with the purposes contemplated in the Decree and if necessary integrate the existing system.
In adopting the Model, the Company intends to pursue the following goals:

- banning of any conduct that might constitute an offence for the purposes of the Decree;
- spreading awareness that infringement of the Decree, the provisions of the Model or the standards of the Code of Ethics may also lead to the application of sanctions (pecuniary and interdictory) against the Company;
- spreading a business philosophy rooted in legality and the certainty of express reproof by the Company of all conduct contrary to the law, regulations, internal rules and especially the provisions of this Model;
- creation of a balanced and efficient organization structure, with a special focus on clear conferment of powers, transparent decision-making processes, checks (both pre- and post-) on acts and activities, as well as the accuracy and truthfulness of internal and external information;
- enabling the Company to prevent or promptly deal with the commission of offences for the purposes of the Decree thanks to a system of checks and constant monitoring of such system to make sure it is being properly operated.

2.5. KEY ELEMENTS OF THE MODEL

The Model consists of this General Part, which illustrates the Model’s functions and standards and defines and disciplines its main elements (the System of preventive checks, the disciplinary System and sanctions, the characteristics of the Supervisory Body and the ongoing update process) and the Special Parts detailing the offence risks identified and the relevant standards of conduct and control to prevent them.

The basic elements developed by Padanaplast in the definition of this Model may be summarized as follows:

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<td>Mapping of the so-called “sensitive” activities, with examples of scenarios and processes in which, in principle, the conditions and/or means for committing the offences contemplated by the Decree might arise.</td>
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<tr>
<td>Provision of specific checks (as detailed in the Special Parts of this Model) in support of operating processes deemed exposed to the potential risk of offences being committed.</td>
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<tr>
<td>Formation of a Supervisory Body with specific tasks to ensure the Model is effectively implemented and applied.</td>
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<tr>
<td>Adoption of a disciplinary system (as detailed in Section Four of the General Part of this Model) to guarantee effective actuation of the Model through sanctions applicable in cases of infringement of the provisions of the Model.</td>
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<tr>
<td>Provision of information and training on the contents of this Model (as detailed in Section Five of this General Part).</td>
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2.6. MAPPING OF RISK-PRONE ACTIVITIES

D. Lgs. 231/2001 expressly requires, in art. 6, clause 2 a), that the Company’s Organization, Management and Control Model identify business activities in which the offences included in the Decree could potentially be committed. The Company therefore carried out in-depth analysis of its business activities, with support from an external consultant.

The Company first reviewed its organization structure, which is represented in the organization chart identifying its various departments and functions, roles and reporting lines.

It then analysed its business activities on the basis of information gathered from function heads and senior executives who by virtue of their roles have the most extensive and deepest knowledge of the workings of the industry in which the Company operates. In particular, at-risk activities within business processes were identified on the basis of preliminary analysis of:

- the organization chart showing hierarchical and functional reporting lines;
- the Company’s rules and regulations (such as procedures, instructions) and system of controls in general;
- the system of powers and delegation of powers;
- he Confindustria Guidelines updated to March 2014;
- the Company’s “history” in terms of prejudicial events that have affected its business.

The results of the above described activity are detailed in a file (Risk-prone Activities Matrix) that illustrates risk profiles for commission of the offences indicated in D. Lgs. 231/2001 in the context of the business carried on by Padanaplast S.r.l. Said document is kept at the Company’s head office and may be consulted by directors, statutory auditors, the Supervisory Body and anyone else entitled to examine it.

In particular, the Risk-prone Activities Matrix identifies the so-called “sensitive activities”, i.e. business activities that may be associated with offences whose commission is deemed possible, examples of possible ways of and reasons for committing the offences, and processes in which, in principle, the conditions, instruments and/or means for committing offences may be present.

2.7. INTERNAL CONTROL SYSTEM

The Company’s internal control and risk management system comprises a set of instruments, organization structures and procedures designed to support the running of a healthy and fair business in line with the objectives set by the Board of Directors through a process that identifies, manages and monitors the Company’s main risks.

In particular, Padanaplast’s internal control system is based on rules of conduct defined in this Model and in the following:

- Group Code of Ethics;
- hierarchical-functional structure (organization chart);
- system of delegation of authority and powers;
- system of internal procedures, also including operating instructions;
- IT systems designed to segregate functions and protect information contained in them, including both management and accounting systems and systems used to support the business’s operating activities.

Padanaplast’s current internal control system, i.e. the process the Company has in place to manage and monitor its main risks and run a healthy and fair business, is capable of guaranteeing achievement of the following objectives:

- “Every operation, transaction and action must be verifiable, documented, consistent and congruous”: every operation must be supported by adequate documentation which the Company’s officers may use at any time to ascertain the characteristics of and reasons for an operation and identify who authorized, executed, recorded and verified it.
• “No one may independently manage an entire process”: the control system operating in the Company must guarantee application of the principle of segregation of functions, so that authorization to carry out an operation must be the responsibility of a person other than the persons who record it in the accounts or carry out or control it. The system must also provide that (i) no one be assigned unlimited powers; (ii) powers and responsibilities be clearly defined and known within the organization; (iii) powers of authorization and attorney be in line with the organizational responsibilities assigned.

• “Control documentation”: the carrying out of checks, including supervision checks, in line with responsibilities assigned, must always be documented (if necessary, by drafting reports).

The Company has in place an integrated quality-safety-environment management system that is certified and conforms to the main international standards on such matters.

The Company receives services in support of its business from the parent company Finproject S.p.A. The provision of such services is disciplined by a service contract containing the standard clauses (scope, duration, etc.), the main characteristics of the services and the criteria used by the Company to repay the parent company the direct and indirect costs and charges incurred in providing the services. In particular, the services defined in the aforementioned contract are of an administrative, fiscal, legal, corporate and IT nature.

2.8. CODE OF ETHICS

To ensure its business is conducted in compliance with the law and standards, Padanaplast adopted the Group Code of Ethics already adopted by Finproject S.p.A., which enshrines a series of values and rules of “business ethics” that the Company shares and with which it requires its officers, employees and third parties to comply.

This Model, whose provisions are in any case in line with the principles of the Code of Ethics, meets the specific requirements laid down in the Decree and is thus designed to prevent commission of the offences contemplated in D. Lgs. 231/2001.

The Group Code of Ethics in any case promulgates principles that also support the prevention of the offences indicated in D. Lgs. 231/2001 and is therefore relevant for the purposes of and complementary to the Model.
Art. 6, clause 1, D. Lgs. 231/2001 requires, as a condition for enjoying exoneration from administrative liability, that the task of overseeing compliance with and operation of the Model and of updating it, be entrusted to an internal Supervisory Body which has independent powers of initiative and control and carries out its tasks on an ongoing basis. The Supervisory Body therefore performs its functions externally to the Company’s operating processes, reports periodically to the Board of Directors and does not stand in any hierarchical relationship with the Board of Directors or the heads of the various departments.

Pursuant to the provisions of D. Lgs. 231/2001, Padanaplast’s Board of Directors has formed a Supervisory Body which is a committee of three members reporting functionally to the Board of Directors.

In particular, the Supervisory Body’s composition is designed to guarantee the following requisites:

Autonomy and independence, which are ensured by its positioning within the organization structure as a staff unit at the highest possible level and reporting to the highest executive level, the Board of Directors.

Professionalism: this requisite is guaranteed by the professional, technical and practical knowledge of the members of the Supervisory Body. In particular, its composition is designed to guarantee the necessary knowledge of the law and the principles and techniques of control and monitoring, and of the Company’s organization and main business processes.

Continuity of action: the Supervisory Body has the task of constantly overseeing, with its powers of inspection, the operation and updating of the Model and making sure it is observed by the Addressees. It is a constant point of reference for all of Padanaplast’s personnel.

3.1 Term of office, termination and revocation

The members of the Supervisory Body hold office for three years from their date of appointment and may in any case be re-elected.

They are chosen from amongst individuals having an ethical and professional profile of undisputable value and who are not married or otherwise related to members of the Board of Directors.

Employees of the Company and external professionals may be appointed as members of the Supervisory Body. External professionals must not have any relationships with the Company that could suggest the possibility of conflict of interest. The remuneration of the members of the Supervisory Body, whether internal or external to the Company, does not constitute a possible conflict of interest.

A person may not be appointed a member of the Supervisory Body, or if appointed shall be immediately terminated, if they find themselves in any of the following situations:

- marriage or kinship to the 4th degree, common law marriage or affective relationships with: (a) members of the Board of Directors, (b) subjects performing functions of representation, administration or direction of the Company or of a financially and functionally autonomous organizational structure within it, (c) persons who exercise, even on a de facto basis, management and control of the Company, the Company’s statutory auditors and external audit firm and any other subjects indicated by law;
- conflict of interest, even potential, with the Company or its subsidiaries such as to compromise their independence;
- direct or indirect ownership of shares in the entity capable of exercising significant influence over the Company or its subsidiaries;
- executive directorships held in the three years prior to their appointment to the Supervisory Body in enterprises under bankruptcy, administrative compulsory liquidation or similar proceedings;
• employment relationship with central or local public administrations in the three years prior to their appointment as a member of the Supervisory Body;

• conviction, even if not on final judgement, or application of a sentence under plea bargaining, in Italy or abroad, for significant infringements for the purposes of the administrative liability of entities pursuant to D. Lgs 231/2001;

• conviction, even if not on final judgement, or plea bargaining entailing a sentence of debarment or temporary debarment from public office or temporary debarment from management posts in legal entities and enterprises.

Should any of the above listed reasons for replacement or integration or ineligibility and/or termination arise in respect of a member, such member must immediately inform the other members of the Supervisory Body and shall automatically relinquish office. The Supervisory Body notifies the CEO for the purposes of formulating a replacement proposal to submit to the Board of Directors in accordance with this section.

Members who are employees of the Company will be automatically relieved of office in the event of termination of their employment relationship and irrespective of its cause. The Board of Directors may resolve to disqualify members of the Body at any time, after consulting the Statutory Audit Committee, but only for just cause, and order, in a document also stating the reasons, the suspension of the functions and/or powers of the Supervisory Body and the appointment of an interim body or revocation of powers.

The following are just causes for disqualification of members:

• ascertainment of a serious default on the part of the Supervisory Body in the performance of its tasks;

• failure to inform the Board of Directors of a conflict of interest, even only potential, that would make it impossible for a member to continue as part of the Body;

• a conviction of the Company (final judgement or sentence under plea bargaining) in which it is stated that the Supervisory Body failed to provide supervision or that its supervision was insufficient;

• defaulting on confidentiality obligations regarding news and information acquired in the exercise of the Supervisory Body’s functions;

• conviction, even if not on final judgement, or application of a sentence under plea bargaining, in Italy or abroad, for significant infringements for the purposes of the administrative liability of entities pursuant to D. Lgs 231/2001;

• conviction, even if not on final judgement, or plea bargaining entailing a sentence of debarment or temporary debarment from public office or temporary debarment from management posts in legal entities and enterprises.

• for a member who is an employee of the Company, commencement of disciplinary proceedings regarding acts punishable by dismissal.

Should revocation occur without just cause, the revoked member is entitled to demand immediate reinstatement in office.

Each member may stand down from office at any time by giving 30 days written notice to the Board of Directors by means of a registered letter with return receipt. The Board of Directors shall appoint a new member at the first meeting of the Board thereafter and in any case within 60 days of the date on which the outgoing person’s membership effectively ceases.

The Supervisory Body defines the rules of its operation in total autonomy in a document - “Rules disciplining the activities of the Supervisory Body” - submitted to the Board of Directors for ratification.

3.2 Powers and functions of the Supervisory Body

The Supervisory Body’s tasks include:

• overseeing the dissemination of knowledge and understanding of and compliance with the Model within the Company;

• checking the validity and adequacy of the Model, i.e. its effective capacity to prevent the behaviour targeted by the Decree;

• overseeing operation of the Model in the areas of activity potentially at risk of offences being committed;

• inform the Company’s Board of Directors on the advisability of updating the Model to reflect changes in the business or legislation.
In carrying out said activities, the Supervisory Body has the following duties:

### FUNCTIONS

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<th>Function</th>
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<tr>
<td>• co-ordination and collaboration with the Departments (also involving meetings) to optimize monitoring of the business activities identified as risk-prone in the Model;</td>
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<td>• verify the establishment and operation of special information channels (e.g. e-mail address) to facilitate whistle-blowing and other information flows to the Supervisory Body;</td>
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<td>• verify that information and training initiatives on the Model launched by the Company are actually carried out;</td>
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<td>• carry out or provide for investigations into the truthfulness and grounds of reports received, draft a report on activities carried out and, as appropriate, propose the sanctions in Section Four hereunder to the HR Function responsible for taking disciplinary measures against Company personnel;</td>
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<td>• immediately report infringements of the Model by the Company’s directors or other senior executives to the Board of Directors;</td>
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<tr>
<td>• immediately report any infringements of the Model by the entire Board of Directors, where grounded, to the statutory audit committee;</td>
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<tr>
<td>• carry out checks on certain operations or actions in business areas where potential risks of offences have been identified;</td>
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<td>• ascertain the maintenance and efficacy of all documentation relating to activities/operations identified in the Model, being authorized to access all documentation and information deemed useful within the scope of the monitoring;</td>
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<td>• require the managers of the various Departments, and in any case all Addressees, to promptly supply information, data and/or news for the purpose of identifying aspects of the various business activities relevant for the purposes of the Model and for verifying actual implementation of same by the Company;</td>
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<td>• access, with no need for prior authorization, any company document deemed relevant for the performance of the functions attributed to it by D. Lgs. 231/2001;</td>
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<td>• be notified of the outcomes of disciplinary procedures or sanctions applied by the Company for ascertained infringements of the Code of Ethics and/or the Model, and in the event of dismissal of the case request the reasons.</td>
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To perform the above listed functions the Supervisory Body is invested with the following powers:

### POWERS

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To optimize performance of its activities, the Supervisory Body may delegate one or more specific tasks to single members who will carry them out in the name and on behalf of the Body itself. Responsibility for such delegated tasks lies with the Supervisory Body as a whole.

The Company’s Board of Directors assigns an annual expense budget to the Supervisory Body in an amount proposed by the Body itself and in any case sufficient for the functions assigned to it. The Supervisory Body decides autonomously on expenses to incur within the limits set for the relevant powers of attorney. Any expenses in excess of the budget must be authorized by the CEO.
3.3 Supervisory Body communication flows

As already mentioned above, the Supervisory Body reports directly to the Company’s Board of Directors in order to guarantee full autonomy and independence in the performance of its functions.

In detail, the Supervisory Body reports to the corporate bodies on the effective state of implementation of the Model and the results of its supervision activities by means of direct reporting and meetings (including video conferencing) as follows:

- at least six-monthly to the Board of Directors, a written report on its monitoring activities, problems encountered and corrective actions or improvements to ensure effective implementation of the Model;

- prompt notification of the Statutory Audit Committee concerning alleged infringements by the top management or members of the Board of Directors; the Statutory Audit Committee may request information or clarification regarding such alleged infringements.

The Supervisory Body may be convened at any time by both the Board of Directors and the Statutory Audit Committee and may, in turn, request meetings of the aforementioned corporate bodies on matters concerning the operation and effective implementation of the Model or specific situations.

The aforementioned reporting activities will be documented by reports kept in the Supervisory Body’s records in accordance with the principle of the confidentiality of the data and information contained therein, and with the provisions of law on the processing of personal data.

To guarantee proper and effective information flows and full and correct performance of their tasks, the Supervisory Body may also seek clarification or information directly from the subjects having the main operating responsibilities.

3.4 Information flows towards the Supervisory Body

One of the requirements the Model must meet under D. Lgs. 231/2001 is the introduction of specific information obligations on the part of the Company’s Functions towards the Supervisory Body in order to enable said Body to perform its supervision and control activities.

To this end, the following must be communicated to the Supervisory Body:

Periodically:

- information, data, news and documents constituting departures from and/or exceptions to Company procedures already identified by the Supervisory Body and by the latter formally requested from the individual Departments/Functions (so-called information flows) as and when defined by the Supervisory Body itself.

Occasionally:

By any Department potentially involved:

- orders and/or communications from investigative police or any other authority, including administrative authorities, involving the Company or its senior management in connection with the investigation, even in respect of unidentified persons, of offences under D. Lgs. 231/2001, subject to legal obligations of confidentiality and secrecy;

- requests for legal assistance forwarded by executives and/or employees in cases of legal action for offences covered by D. Lgs. 231/2001;

- modifications to the system of delegation of authority and powers of attorney or the Company’s by-laws or organization chart;

- results of any measures taken following written reports on ascertained infringement of the Model from the Supervisory Body, confirmation of any disciplinary sanctions applied for infringement of the Model and decisions to dismiss cases, with reasons.

From the Prevention and Protection Service manager:

- reporting of serious accidents (negligent homicide or negligent personal injury, serious or very serious, and in any case any accident with a prognosis of over 40 days) involving the Company’s employees, collaborators and in general anyone having access to the Company’s premises;
• changes in roles and responsibilities in workplace health and safety and environmental management systems (eg. workplace health & safety officer, environmental officer).

In this connection, Addressees must report to the Supervisory Body any conduct that might constitute an infringement of the provisions of the Decree, the Model or the Code of Ethics, as well as any specific types of offence.

To such end, special communication channels have been established for consulting the Supervisory Body. They are an e-mail address (odvpadanaplast@gmail.com) and a postal address (Str. Paganina, 3, 43010 Roccabianca, Parma - Riservato OdV) which are made known to addressees for the purpose of reporting. Access to these addresses is restricted to the members of the Supervisory Body. Reports are to be made in this way to guarantee maximum confidentiality for whistle-blowers and also to avoid retaliation or any other form of discrimination or penalization.

The Company guarantees the protection of whistle-blowers against any direct or indirect form of retaliation, discrimination or penalization (application of sanctions, downgrading, dismissal, transfer or other organizational measure having direct or indirect negative effects on working conditions) for reasons directly or indirectly linked to the whistleblowing.

The Company ensures the confidentiality and anonymity of the whistle-blower except in cases of legal obligations and protection of the Company’s rights or those of people wrongly and/or maliciously accused.

The Supervisory Body analyses and assesses the reports its receives. If deemed useful, the Supervisory Body interviews the whistle-blower to obtain further information and may also summon the alleged perpetrator and carry whatever investigations may be necessary to test the grounds of the report.

Reports without any substantial evidence to support them or which are excessively vague or lacking in detail or manifestly defamatory or false will not be taken into consideration. Having ascertained that a report is grounded, the Supervisory Body:

• for infringements by employees, immediately sends written notification to the HR Function for the purposes of initiating disciplinary action;

• for infringements of the Model and/or Code of Ethics by the Company’s directors, should they prove grounded, it immediately notifies the Board of Directors and Statutory Audit Committee;

• for infringements of the Model and/or Code of Ethics by the Company’s senior management, should they prove grounded, it immediately notifies the Board of Directors.

All the information, documentation, including the reporting required by the Model, and the reports received by the Supervisory Body in the performance of its corporate tasks must be kept by the Supervisory Body in an archive, whether physical or electronic, at the Company’s headquarters in accordance with the provisions of law on the processing of personal data.
The definition of a disciplinary system applicable to infringements of the provisions of this Model is a necessary condition for guaranteeing effective implementation of the Model itself and indispensable for enabling the Company to enjoy exonerations from administrative liability.

Disciplinary sanctions are applied irrespectively of any penal sentence inflicted on an employee, manager or key executive or of initiation of penal proceedings and even of the commission of an offence relevant for the purposes of D. Lgs. 231/2001.

For the purposes of applying the disciplinary system, relevant conduct means any action or conduct, including omission, carried out in breach of the provisions of this Organization, Management and Control Model. Application of disciplinary sanctions must be based on the principles of proportionality and graduality and in identifying the appropriate sanction both the objective and subjective aspects of the relevant conduct are taken into account.

In terms of objective aspects and graduality, the following are taken into account:

- infringements of the Model which have caused no or only slight exposure to risk;
- infringements of the Model which have caused appreciable or significant exposure to risk;
- infringements of the Model which constitute an act of penal relevance.

Relevant conduct assumes more or less seriousness in relation to the circumstances in which the act was committed and the following subjective aspects:

- commission of a number of infringements with the same conduct;
- recidivism of the offender;
- level of hierarchical and/or technical responsibility of the person whose conduct is in question;
- sharing of responsibility with other subjects concurring in the infringement of the procedure.

Disciplinary proceedings are in any case referred to the relevant function and/or corporate body.

4.1 SANCTIONS AGAINST NON-MANAGEMENT GRADE

Regarding employees, the Company must observe the limits indicated in art. 7, Workers’ Charter (Statuto dei Lavoratori) in terms of both sanctions that can be inflicted and ways of exercising disciplinary power. Non-compliance with the provisions of the Model and/or Code of Ethics, and of all the documentation of which they are formed, on the part of an employee constitutes non-fulfilment of obligations arising from the employment relationship pursuant to art. 2104, Italian Civil Code and a disciplinary offence.

Further, the adoption by an employee of the Company of conduct qualifiable on the basis of the previous paragraph as a disciplinary offence is also a breach of the employee’s obligation to carry out their tasks with the utmost diligence and abide by the directives of the Company, as required by the current applicable national labour agreements.

On receiving notice of an infringement of the Model, disciplinary action is taken to ascertain such infringement.

In the investigative phase, the employee is duly informed of the proceeding and guaranteed a suitable length of time to respond. If the infringement is ascertained, the employee will be handed a sanction in proportion to the seriousness of the infringement.
Employees may be given the sanctions provided for in the applicable national labour agreements, for example:

- verbal reprimand;
- written warning;
- fine of up to three hours of remuneration;
- suspension from work and pay for no longer than three days;
- disciplinary dismissal.

To understand the correlation between infringements and sanctions it should be noted that:

- an employee may incur a cautionary disciplinary sanction if he or she:
  - breaches the provisions of the Model or any part of the related documentation or adopts, in performing activities in at-risk areas, a line of conduct not compliant with the provisions of the Model insofar as such conduct evinces a failure to carry out orders given by the Company;

- an employee may incur a resolutive disciplinary sanction if he or she:
  - in performing activities in at-risk areas, adopts a line of conduct not compliant with the provisions of the Model or any part of the related documentation insofar as such conduct evinces a lack of discipline and diligence in fulfilling contractual obligations serious enough to undermine the Company's trust in the employee;
  - in performing activities related to at-risk areas, adopts a line of conduct manifestly in contrast with the provisions of the Model or any part of the related documentation such as to lead to measures being taken against the Company under the terms of D. Lgs. 231/2001, such conduct constituting an act that causes the Company moral and material damage serious enough to make continuation of the employment relationship unsustainable, even provisionally.

The Company may not take any disciplinary action against employees that is not in accordance with the procedures provided for in the applicable national labour agreements for the various types of offence.

The principles of correlation and proportion between the infringement committed and the sanction inflicted are guaranteed by observance of the following criteria:

- seriousness of the infringement committed;
- employee’s position, role, responsibility and autonomy;
- predictability of the event;
- wilfulness of the conduct or degree of negligence, imprudence or incompetence;
- overall conduct of the perpetrator of the infringement in relation to any prior disciplinary cases within the terms provided for in the applicable national labour agreement;
- other particular circumstances characterizing the infringement.

It is understood that all the provisions and guarantees provided for in national labour agreements regarding disciplinary proceedings will be respected, and in particular:

- the obligation – in the application of sanctions more serious than a verbal warning – of a preliminary charge letter addressed to the employee and indicating the acts constituting the infraction and of a term of 5 days from receipt of the charge letter in which the employee may submit justifications and a hearing at which the employee may defend him/herself;

- the obligation not to take any disciplinary action before the minimum term of five (5) days from delivery of the charge letter, as required in art. 7, Workers’ Charter and the applicable national labour agreement;

- the obligation to give written notice of the taking of disciplinary action no later than the term provided for in the relevant national labour agreement following expiry of the term allowed for the employee to submit his or her justifications. Failing this, justifications will be understood as accepted.

The existence of a system of sanctions disciplining non-compliance with the provisions of the Model or any part of the related documentation must necessarily be made known to employees using the means deemed most suitable by the Company.
The Company also reserves the right to seek compensation for damages arising from the infringement of the Model by an employee. Any compensation sought will be commensurate with:

- the level of responsibility and autonomy of the employee who committed the disciplinary offence;
- any prior disciplinary record of the employee;
- the degree of wilfulness of his or her conduct;
- the seriousness of the effects of same, i.e. the level of risk at which the Company may reasonably consider itself.

4.2 SANCTIONS FOR EXECUTIVE GRADE EMPLOYEES

Infringements by executives of the internal procedures provided for in this Model or the adoption whilst performing activities in at-risk areas of conduct not in line with the provisions of the Model are detailed below by way of non-exhaustive example, with certain types of relevant conduct:

- failure to observe the principles and protocols indicated in the Model;
- failure to record or untruthful recording of activities carried out with respect to the procedures for documentation, conservation and control of records relating to business protocols such as to prevent the transparency and verifiability of same;
- infringement and/or evasion of the control system by removal, destruction or alteration of the documentation required by business procedures or preventing those responsible, including the Supervisory Body, from accessing and checking the required information and documentation;
- infringements of the provisions relating to powers of attorney and the system of delegation of authority, except in the event of extreme necessity or urgency, in which case the relevant information must be promptly given to the hierarchical superior;
- failure by hierarchical superiors to supervise and control proper and effective application of the principles indicated in the Model by their subordinates;
- infringement of the obligation to inform the Supervisory Body and/or direct hierarchical superior of any infringements of the Model by other Addressees of this Disciplinary System or of which there is direct and certain proof;
- if within a subject's sphere of responsibility, failure to train and/or update and/or notify personnel working on processes regulated by business protocols relative to sensitive areas.

In cases of infringement of the procedures provided for in the Organization, Management and Control Model, the sanctions contemplated by the applicable national labour agreement are applied on the basis of the seriousness of the infraction and the suitability of the sanction. In cases of serious infringements, the Company may proceed to early termination of the employment contract without notice pursuant to art. 2119, Italian Civil Code.

4.3 MEASURES AGAINST DIRECTORS

In the case of an ascertained infringement of the provisions of the Model or of any part of the documentation forming it, by one or more directors, the Supervisory Body promptly informs the entire Board of Directors and the Statutory Audit Committee so that they may take or promote the most appropriate initiatives with respect to the seriousness of the infringement reported and in accordance with the powers contemplated by current law and the by-laws.

In the case of ascertained infringement of the provisions of the Model or any part of the documentation forming it by the entire Board of Directors, the Supervisory Body immediately informs the Statutory Audit Committee, so that it may promote initiatives accordingly.

In particular, in the case of infringement of the provisions of the Model or of any part of the documentation forming it by one or more directors, the Board of Directors may proceed directly, depending on the extent and seriousness of the infringement committed, to issue a formal written reprimand or revoke some or all of the powers invested, in cases serious enough to undermine the Company’s trust in the director/s.
In the case of infringement of the provisions of the Model, or of any part of the documentation forming it, by one or more directors, unequivocally designed to facilitate or instigate the commission of an offence under D. Lgs. 231/2001 or to commit it, disciplinary action (by way of mere example, temporary suspension from office or in more serious cases revocation of same) must be taken by a Meeting of the Shareholders on a motion by the Board of Directors or Statutory Audit Committee.

4.4 MEASURES AGAINST SENIOR MANAGEMENT

By way of non-exhaustive example, the following types of conduct may be grounds for applying sanctions:

• failure to observe the principles and protocols indicated in the Model;

• infringement and/or evasion of the control system by removal, destruction or alteration of the documentation required by business procedures or preventing those responsible, including the Supervisory Body, from accessing and checking the required information and documentation;

• infringements of the provisions relating to powers of attorney and in general the system of delegation of authority, except in the event of extreme necessity or urgency, in which case information must be promptly given to the Board of Directors;

• infringement of the obligation to inform the Supervisory Body and/or any superior body of any conduct tending towards commission of an offence or an administrative irregularity among those contemplated by the Decree.

In any case, breaches by senior management figures of their specific obligation to oversee their subordinates will also entail the Company’s application of the sanctions deemed most appropriate with regard on one hand to the nature and seriousness of the infringement committed and on the other the grade of the senior manager involved.

4.5 SANCTIONS UNDER ART. 6, CLAUSE 2-BIS, D. LGS. 231/2001 (“WHISTLEBLOWING”)

The system of sanctions disciplining management of reports of offences under art. 6, clause 2-bis, D. Lgs. 231/2001 (“Whistleblowing”) provides for the following:

• sanctions safeguarding whistle-blowers against whoever commits direct or indirect acts of retaliation or discrimination against a whistle-blower for reasons directly or indirectly relating to the report;

• sanctions against whoever makes a report that proves unfounded, whether through wilful misconduct or gross negligence.

Sanctions are defined on the basis of the role of the recipient of same, as indicated in the foregoing paragraphs, and to the extent to which infringements of the rules of the whistleblowing system, in turn, constitute infringements of the provisions of the Model.
Aware of the importance of training and information for the purposes of prevention, the Company has defined a programme of communication and training designed to guarantee dissemination to all Addressees of the principles enshrined in the Decree and the obligations arising therefrom, as well as the provisions of this Model.

**Training and communication are the key instruments for disseminating the Model and the Code of Ethics that the Company has adopted and form an essential vehicle for the system of rules that all employees must have knowledge of, observe and enforce in the exercise of their respective functions.**

To such end, information and training activities addressing personnel are organized on different levels corresponding to different degrees of involvement in risk-prone activities. Training activities designed to spread knowledge of D. Lgs. 231/2001 and the provisions of the Model are in any case differentiated in terms of content and methods of dissemination on the basis of the Addressees’ grades, the level of risk in the area where they work and whether or not they perform representation and management functions for the Company.

Training involves the entire workforce and any resources who should join the organization in the future. Training activities will therefore be planned and implemented both at the time of entry and on the occasion of any changes in job type, as well as following any updates or modifications of the Model.

Regarding dissemination of the Model within the organization, the Company is committed to carrying out the following communication activities:

- in the entry phase, the HR function provides new entries with information on the Organization, Management and Control Model, as required by D. Lgs. 231/2001, and the Code of Ethics, both documents being handed to them on their first day;
- possibility of access to shared folders focussing on D. Lgs. 231/2001 and the Code of Ethics.

Communication is provided using organizational instruments that ensure it is capillary, effective, authoritative (i.e. issued at the appropriate level), clear and detailed and periodically updated and repeated.

Training courses are obligatory and the HR Function records employees’ participation in them. Documentation on information and training activities in general will be kept by the Human Resources Department and be available for consultation by the Supervisory Body and anyone else entitled to view it.

The Company also promotes knowledge of and compliance with the Code of Ethics and Model amongst its trade partners, consultants, various types of collaborators, clients and suppliers, who can consult both documents on line on the Company’s website.
The adoption and effective implementation of the Model are the responsibility of the Board of Directors by express provision of law. It follows that the Board of Directors also has the power to update the Model, which it does by resolution, in the manner in which the Model was adopted.

Updating activities, meaning both additions and modifications, aim to guarantee the Model’s adequacy and suitability for its function, that of preventing the commission of the offences indicated in D. Lgs. 231/2001.

It is the Supervisory Body’s task, on the other hand, to ascertain the necessity or advisability of updating the Model and inform the Board of Directors thereof. Within the scope of the powers invested in it under art. 6, clause 1. b) and art. 7, clause 4. a) of the Decree, the Supervisory Body is responsible for formulating proposals to update and modify this Model for submission to the Board of Directors.

The Model must in any case be promptly modified and integrated by the Board of Directors, also in response to and after consultation with the Supervisory Body, when any of the following occur:

• changes to or evasions of the provisions contained in it that show its inefficacy or inconsistency for the purposes of preventing offences;
• significant modifications to the Company’s internal structure and/or ways of doing business;
• new legislation.

The Supervisory Body has the following tasks:

• conducting periodical reviews to identify changes to the corporate purpose necessitating an updating of the mapping of sensitive activities;
• co-ordinating with the head of the HR Department for personnel training programmes;
• interpreting the relevant law on underlying offences and any Guidelines drawn up, including any that update existing ones, and verifying the adequacy of the internal control system in relation to the provisions of law or relative Guidelines;
• ascertaining the Model’s updating requirements.

The Department/Function heads concerned draft and introduce modifications to their respective operating procedures when such modifications appear necessary for effective enforcement of the Model, i.e. when the procedures prove ineffective for the purposes of correct enforcement of the provisions of the Model. The relevant business functions also see to any modifications or additions to the procedures needed to implement revisions of this Model.

The Supervisory Body must always be informed of any modifications, updates or additions to the Model.
1. Offences against the Public Administration (art. 24 and 25):

- Wrongful obtaining of public funds to the detriment of the State or other public entity or the European Union (art. 316 ter, Italian penal code);
- Embezzlement of State, European Union or other public funds (art. 316 bis, Italian penal code);
- Fraud to the detriment of the State or other public entity (art. 640, clause 2, no. 1, Italian penal code);
- Aggravated fraud to obtain public funds (art. 640 bis, Italian penal code);
- Computer fraud against the State or other public entity (art. 640 ter, Italian penal code);
- Corruption (art. 318, 319, 320, 322 bis, Italian penal code);
- Inducement to accept a bribe (art. 322, Italian penal code);
- Judicial corruption (art. 319 ter, Italian penal code);
- Extortion (art. 317, Italian penal code);
- Undue inducement to give or promise utility (art. 319 quater, Italian penal code);
- Influence peddling (art. 346 bis, Italian penal code).

2. Computer crimes and illegal processing of data introduced into the Decree by law 48/2008 (art. 24 bis):

- Forgery in a public digital document or document having probative force (art. 491-bis, Italian penal code);
- Illegal access to an information or telecommunications system (art. 615 ter, Italian penal code);
- Illegal detention and diffusion of access codes to information and telecommunications systems (art. 615 quater, Italian penal code);
- Diffusion of digital equipment, devices or programmes designed to damage or interrupt an information or telecommunications system (art. 615 quinquies, Italian penal code);
- Illegal interception, impediment or interruption of digital communications or telecommunications (art. 617 quater, Italian penal code);
- Installation of equipment to intercept, impede or interrupt digital communications or telecommunications (art. 617 quinquies, Italian penal code);
- Damage to information, data and computer programmes (art. 635 bis, Italian penal code);
- Damage to information, data and computer programmes used by the State or other public entity or in any case of public utility (art. 635 ter, Italian penal code);
- Damage to information and telecommunications systems (art. 635 quater, Italian penal code);
- Damage to information and telecommunications systems of public utility (art. 635 quinquies, Italian penal code);
- Computer fraud by a subject providing digital signature certification services (art. 640 quinquies, Italian penal code).

- Criminal conspiracy (art. 416, Italian penal code);
- Mafia type associations, including foreign associations (art. 416 bis, Italian penal code);
- Electoral vote trading between politicians and mafia (art. 416 ter, Italian penal code);
- Kidnapping for theft or ransom (art. 630, Italian penal code);
- Association for illegal trafficking of narcotic drugs or psychotropic substances (art. 74, D.P.R. 309, 9 October 1990);
- Crimes of illegal fabrication, importing, sale, transfer, detention and carrying in a public place or place open to the public of small arms and light weapons or parts thereof, explosives, illegal weapons and of more than one common firearm, excluding those provided for in article 2, clause 3, law 110, 18 April 1975 (art. 407, clause 2a, 5), Italian code of criminal procedure).

4. Offences involving counterfeiting coins, legal tender, revenue stamps and instruments or marks of recognition introduced into the Decree by law 409/2001 and amended by law 99/2009 (art. 25 bis):

- Counterfeiting of coins, spending and bringing into the country of counterfeit coins, acting in concert (art. 453, Italian penal code);
- Alteration of coins (art. 454, Italian penal code);
- Non-complicit spending and importing of counterfeit coins (art. 455, Italian penal code);
- Spending of counterfeit coins received in good faith (art. 457, Italian penal code);
- Counterfeiting of revenue stamps, bringing into the country, purchase, detention or circulation of counterfeit revenue stamps (art. 459, Italian penal code);
- Counterfeiting of watermarked paper for fabrication of legal tender or revenue stamps (art. 460, Italian penal code);
- Fabrication or detention of watermarks or instruments for use in counterfeiting coins, revenue stamps or watermarked paper (art. 461, Italian penal code);
- Use of counterfeit or altered revenue stamps (art. 464, clauses 1 and 2, Italian penal code);
- Counterfeiting, alteration, use of distinctive marks or signs or patents, models and drawings (473, Italian penal code);
- Importing and trading of industrial products with false marks (474, Italian penal code).

5. Crimes against industry and trade introduced into the Decree by law 99/2009 (art. 25-bis 1):

- Disturbance of industry or trade (art. 513, Italian penal code);
- Unfair competition with threats or violence (art. 513 bis, Italian penal code);
- Fraud against national industries (art. 514, Italian penal code);
- Fraud in the exercise of trade (art. 515, Italian penal code);
- Sale of non-genuine food substances as genuine (art. 516, Italian penal code);
- Sale of industrial products with false marks (art. 517, Italian penal code);
- Fabrication and trading of goods made by usurping title to industrial property (art. 517 ter, Italian penal code);
- Forgery of geographical indications or denominations of origin of agro-food products (art. 517 quater, Italian penal code).

- Fraudulent corporate disclosures (art. 2621, Italian civil code);
- Minor offences (art. 2621 bis, Italian civil code);
- Fraudulent corporate disclosures damaging shareholders or creditors (art. 2622, Italian civil code);
- Obstruction of inspection (art. 2625, Italian civil code);
- Undue repayment of contributions (art. 2626, Italian civil code);
- Illegal allocation of profits and reserves (art. 2627, Italian civil code);
- Illegal operations involving shares or quotas of a company or its parent company (art. 2628, Italian civil code);
- Transactions prejudicial to creditors (art. 2629, Italian civil code);
- Failure to disclose conflict of interest (art. 2629 bis, Italian civil code);
- Fraudulent formation of share capital (art. 2632, Italian civil code);
- Wrongful allocation of company assets by liquidators (art. 2633, Italian civil code);
- Illegal influence over a shareholders’ meeting (art. 2636, Italian civil code);
- Agiotage (art. 2637, Italian civil code);
- Obstructing the functions of public supervisory authorities (art. 2638, clauses 1 and 2, Italian civil code);
- Bribery between private individuals (art. 2635, Italian civil code);
- Inducement to bribery between private individuals (art. 2635 bis, Italian civil code).

7. Terrorist offences or subversion of democratic order, introduced into the Decree by law 7/2003 (art. 25 quater).

8. Female genital mutilation practices, introduced into the Decree by law 7/2006 (art. 25 quater 1).


- Enslavement or maintenance under conditions of slavery or servitude (art. 600, Italian penal code);
- Child prostitution (art. 600 bis, Italian penal code);
- Child pornography (art. 600 ter, Italian penal code);
- Detention of pornographic material (art. 600 quater, Italian penal code);
- Virtual pornography (art. 600 quater 1, Italian penal code, 609 undecies, Italian penal code);
- Soliciting of children (art. 609 undecies, Italian penal code);
- Tourism designed to exploit child prostitution (art. 600 quinquies, Italian penal code)
- Human trafficking (art. 601, Italian penal code);
- Purchase and sale of slaves (art. 602, Italian penal code)
- Illegal brokering and exploitation of labour (art. 603 bis, Italian penal code);

- Abuse of insider information (art. 184, D. Lgs. 58/1998);

11. Transnational offences, introduced into the Decree by law 146/2006:

- Criminal conspiracy (art. 416, Italian penal code);
- Mafia type associations, including foreign ones (art. 416 bis, Italian penal code);
- Criminal conspiracy to smuggle foreign processed tobaccos (DPR 43/1973, art. 291 quater);
- Criminal conspiracy to smuggle narcotic drugs or psychotropic substances (art. 74, DPR 309/1990);
- Offences in breach of provisions against illegal immigration (art. 12, D. Lgs. 286/1998);
- Inducement not to make statements or to make false statements before law courts (art. 377 bis, Italian penal code);
- Aiding and abetting (art. 378, Italian penal code).

12. Negligent offences infringing on accident prevention and workplace health and safety legislation, introduced into the Decree by law 123/2007 (art. 25 septies):

- Involuntary manslaughter (art. 589, Italian penal code)
- Negligent serious or grievous bodily harm (art. 590, Italian penal code).

13. Offences involving handling of stolen goods, money laundering and use of money of illegal origin, introduced by D. Lgs. 231/2007, and self-money laundering (art. 25-octies) introduced by law 186/2014:

- Handling of stolen goods (art. 648, Italian penal code);
- Money laundering (art. 648 bis, Italian penal code);
- Use of money, goods or utilities of illegal origin (art. 648 ter, Italian penal code);
- Self-money laundering (art. 648 ter 1, Italian penal code).

14. Copyright infringement offences, introduced into the Decree by law 99/2009 (art. 25-novies):

- Loading an original work or part thereof protected by copyright to telecommunications networks accessible by the public using any means of connection whatsoever (art. 171, clause 1 a-bis), law 633/41);
- Offences under the previous point committed in relation to another person’s work not intended for publication, i.e. with usurpation of the authorship of the work or deformation, mutilation or other modification of the work such as to cause offence to the author’s honour or reputation (art. 171, clause 3, law 633/41);
- Illegal duplication, to make a profit, of computer programmes; importation, distribution, sale, detention for commercial or entrepreneurial ends or leasing out of programmes contained in physical media not bearing the SIAE mark; creation of means intended exclusively to enable or facilitate the arbitrary removal or functional evasion of devices applied to protect computer programmes (art. 171-bis, clause 1, law 633/41);
- Reproduction, transfer to other media, distribution, communication, presentation or demonstration in public of the contents of a data bank in breach of the provisions in articles 64-quinquies and 64-sexies, law 633/41, for the purpose of gaining profit and on physical media not bearing the SIAE mark; extraction or re-use of a data bank in breach of the provisions in articles 102-bis and 102-ter, law 633/41; distribution, sale and leasing of a data bank (art. 171-bis, clause 2, law 633/41);
• Illegal duplication, reproduction, transmission or diffusion in public by whatever method, in whole or in part, of an original work intended for TV or cinema distribution, sale or hiring of disks, tapes or similar media or any other media containing sound or video recordings of musical, cinematographic or similar audio-visual works or sequences of images in motion; illegal reproduction, transmission or diffusion in public, by whatever method, of literary, dramatic, scientific or educational, musical or dramatic-musical, multimedia works, or parts thereof, including any such included in collective or composite works or data banks; bringing into the country, even if not involved in the duplication or reproduction, detention for sale or distribution, distribution, marketing, hiring or transfer of whatever kind, public showing, transmission by television by whatever method, transmission by radio, diffusion for public listening of the illegal reproductions detailed in this point; detention for sale or distribution, distribution, marketing, hiring or in any case transfer of whatever kind, public showing, transmission by television by whatever method, transmission by radio, public listening of the aforementioned illegal duplications or reproductions; detention for sale or distribution, marketing, sale, hiring, transfer of whatever kind, transmission by radio or television by whatever method, of videocassettes, music cassettes or any medium containing sound or video recordings of musical, cinematographic or similar audio-visual works or sequences of images in motion or any other medium which is required by law 633/41 to carry the SIAE mark without said mark or with forged or altered marks; retransmission or diffusion by any means without an agreement with the legitimate distributor of an encrypted service received by means of devices or parts of devices designed to decode conditional access transmissions; bringing into the country, detention for sale or distribution, distribution, sale, hiring, transfer of whatever kind, commercial promotion, installation of devices or elements of special decoding enabling access to an encrypted service without payment of the due fee; fabrication, imports, distribution, sale, hiring, transfer of whatever kind, advertising for sale or hiring, or detention for commercial ends of equipment, products or components, or provision of services whose main purpose or commercial use is to evade the effective technological measures indicated in art. 102-quarter, law 633/41 or that are designed, produced, adapted or made mainly to enable or facilitate evasion of the aforesaid measures; illegal removal or alteration of the electronic information under article 102-quinquies, or distribution, importing for the purpose of distribution, broadcasting by radio or television, communication or supply to the public of works or other protected materials from which such electronic information has been removed or in which it has been altered (art. 171-ter, clause 1, law 633/41);

• Reproduction, duplication, transmission or illegal diffusion, sale or placing on the market, transfer of whatever kind or illegal importing of over fifty copies or specimens of works covered by copyright and related rights; communication to the public, for profit, by uploading to a system of telecommunication networks, by any kind of connection whatever, of an original work protected by copyright, or part thereof; commission of any of the offences in the previous point by carrying out as a business activity the reproduction, distribution, sale, commercialization or importing of works protected by copyright and related rights; promotion or organization of the illegal activities indicated in the previous point (art. 171-ter, clause 2, law 633/41);

• Failure on the part of producers or importers of media not subject to the mark indicated in article 181-bis, law 633/41 to communicate the identification data of physical media not subject to the mark to SIAE within thirty days of the date of placing them on the market in the national territory or importing them, or false statement of such data (art. 171-septies, law 633/41);

• Fraudulent production, sale, importation, promotion, installation, modification or public or private use of equipment or parts of equipment for decoding conditional access audio-visual broadcasts on air, via satellite or cable, whether analogue or digital (art. 171-octies law 633/41).

15. Inducement not to make statements or to make false statements before law courts (art. 377 bis, Italian penal code), introduced into the Decree by law 116/2009 (art. 25-novies)


• Environmental pollution (452-bis, Italian penal code);

• Environmental disaster (452-quater, Italian penal code);

• Negligent offences against the environment (452-quinquies, Italian penal code)

• Trafficking and dumping of highly radioactive material (452-sexies, Italian penal code);

• Aggravating circumstances (452-octies, Italian penal code)

• Killing, destruction, capture, removal, detention of specimens of protected wild animal or plant species (art. 727-bis, Italian penal code);
• Destruction or deterioration of habitat on a protected site (art. 733-bis, Italian penal code);

• Discharge of industrial waste water containing hazardous substances without authorization or after authorization has been suspended or revoked and discharge of substances or materials for which there is a total ban on discharge into the sea by ships and aircraft (art. 137 clauses 2, 3, 5, 11 and 13, D. Lgs. 152/2006);

• Unauthorized waste management (art. 256 clauses 1, 3, 5 and 6, 2nd paragraph, D. Lgs. 152/2006);

• Failure to provide site reclamation conforming to projects approved by the relevant authority (art. 257 clauses 1 and 2, D. Lgs. 152/2006);

• Non-fulfilment of obligations of communication, obligatory registers and forms (art. 258, clause 4, 2nd paragraph, D. Lgs. 152/2006);

• Illegal waste trafficking (art. 259 clause 1, D. Lgs. 152/2006);

• Activities organized for illegal waste trafficking (art. 260, clauses 1 and 2, D. Lgs. 152/2006);

• Exceeding emissions caps and thereby exceeding air quality limits (art. 279 clause 5 D. Lgs. 152/2006);

• Import, export, re-export of specimens belonging to the protected species in Annexes A, B and C, EU Council Regulation 338/97, 9 December 1996, as amended; non-compliance with provisions safeguarding specimens of protected species; use of such specimens in ways not conforming to the provisions in authorization or certification documents; transport and transit of specimens without the required certificates or licences; trading in plants reproduced artificially in breach of the provisions in art. 7, 1. b), EU Council Regulation 338/97, 9 December 1996, as amended; detention, use for profit, purchase, sale, display or detention for sale or commercial purposes, offer for sale or transfer of specimens without the required documentation (art. 1 and 2, law 150/1992);

• Forgery or alteration of certificates, licences, import notifications, statements, disclosures of information required under art. 16, para. 1, a), c), d), e) and l), EU Council Regulation 338/97, 9 December 1996, as amended (art. 3, law 150/1992);

• Detention of living specimens of wild mammal and reptile species and living specimens of mammals and reptiles born in captivity that are dangerous for the health and safety of the public (art. 6 law, 150/1992);

• Non-fulfilment of obligations to reduce/cease use of harmful substances (art. 3 law 549/1993);

• Wilful pollution of vessels flying any flag (art. 8, D. Lgs. 202/2007);

• Culpable pollution of vessels flying any flag (art. 9 D. Lgs. n. 202/2007).

17. Employment of non-EU citizens without a valid residency permit (art. 25 duodecies), introduced in Legislative Decree 109, 16 July 2012.

• Employment of non-EU citizens without a valid residency permit (art. 22 clauses 12 and 12-bis, D. Lgs. n. 286/1998);

• Promotion, direction, organization, financing or transport of foreign citizens into the territory of the State, or acts facilitating their illegal entry into the territory of the State or of another State of which the person is not a citizen or is not entitled to permanent residence when:

  a) the act regards illegal entry to or permanence in the territory of the State of five or more persons;

  b) the person transported has been exposed to life or safety threatening danger to gain illegal entry or permanence;

  c) the person transported has been subjected to inhuman or degrading treatment to gain illegal entry or permanence;

  d) the act is committed by three or more people in concert or using international transport services or documents that are false or altered or in any way illegally obtained;

  e) the perpetrators of the act have access to weapons or explosives (art. 12, clause 3 D. Lgs. 25 July 1998, n. 286)
• If the acts in clause 3 are committed in conjunction with two or more of the circumstances in a), b), c), d) and e) of said clause, the sentence provided for is increased. (art. 12, clause 3 bis, D. Lgs. 286, 25 July 1998);

• The offence is aggravated in the presence or two or more of the aforementioned conditions and in cases where such acts:

a) are committed for the purpose of recruiting people for prostitution or in any case sexual or labour exploitation or involve the entry of children for use in illegal activities for the purpose of exploiting them;

b) are committed for the purpose of profit taking, also indirect. (art. 12, clause 3 ter, D. Lgs. 286, 25 July 1998).


• Dissemination of ideas based on racial or ethnic superiority or hatred, or incitement to commit or commission of acts of discrimination, violence or provocation of violence for racial, ethnic, national, religious reasons or motivated by the victim’s sexual identity, unless the act constitutes some more serious offence. (art. 3, clause 1, law 654/1975);

• Propaganda, i.e. instigation and incitement committed in such a way as to cause a real danger of dissemination and based wholly or partly on negation of the Shoah or crimes of genocide, crimes against humanity and war crimes. (art. 3, clause 3 bis, law 654/1975).

SPECIAL PARTS (omissis)