

Organization, Management and Control Model
Former Legislative Decree n. 231/2001

GENERAL PART

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1 DOCUMENT STRUCTURE

The organization, management and control model (hereinafter also referred to as the "Model") adopted by Irplast S.p.A. consists of this "General Part", several "Special Parts" and an Annex.

The "General Part", after referring to the reference regulatory framework, the business context and the guidelines followed for the development of the Model, illustrates its essential components, with particular reference to the Supervisory Body, the disciplinary system and the measures to be taken in the event of failure to comply with the provisions of the same, the spread of the Model in the company context and staff training.

The "Special Parts", prepared for the various macro-families of crime contemplated in Legislative Decree 231/01 (hereinafter also "Decree") and considered to be of potential risk for the Company, supplement the Model, detailing areas at risk, sensitive activities and specific control protocols.

Following the Attachments:

- *Annex I "Code of Ethics" of Irplast S.p.A*

2 THE REGULATORY FRAMEWORK

2.1 The administrative liability regime provided against legal persons

The Legislative Decree n. 231/01 introduces and regulates in our legal system the administrative liability of "Entities"¹ arising from the commission of specific crimes, in the interest or for the benefit of the Bodies themselves. The administrative liability of the Entity is additional to the (criminal) liability of the natural person who physically committed the crime and they are both subject to assessment during the same procedure in front of the Court. The Entity's liability remains even if the natural offender has not been identified or is not punishable. The liability provided for by the Decree also includes crimes committed abroad, under the conditions that will be specified below, provided that the State in which the crime was committed does not proceed for them. The Entity can be called to respond only in relation to certain offenses (so-called predicate offenses) identified by the Decree, as well as by the laws that expressly refer to the discipline of the same.

The predicate offenses can be grouped into the following macro-families:

- A. Offenses committed in relations with the Public Administration (articles 24 and 25 of the Decree);

¹ The Entities to which the Decree applies are all the companies, associations with or without legal personality, economic public entities and private entities who are concessionaries of a public service. The Decree does not, on the other hand, apply to the State, to territorial public entities, to non-economic public entities and to entities that perform functions of constitutional importance (e.g. political parties and trade unions).

- B. Computer crimes and unlawful data processing (article 24-bis of the Decree);
- C. Organized crime offenses (article 24-ter of the Decree);
- D. Crimes relating to counterfeiting of coins, public credit cards, stamp duties and instruments or signs of recognition (article 25-bis of the Decree);
- E. Crimes against industry and commerce (article 25-bis.1 of the Decree);
- F. Corporate offenses (article 25-ter of the Decree);
- G. Offense of corruption between private individuals (art. 25-ter, letter s-bis of the Decree);
- H. Offenses for the purpose of terrorism or subversion of the democratic order (article 25-quater of the Decree);
- I. Offenses against physical safety, with particular reference to female sexual integrity (article 25-quater.1 of the Decree);
- J. Crimes against the individual personality (article 25-quinquies of the Decree);
- K. Violation and administrative offenses relating to market abuse (article 25-sexies of the Decree and, within the TUF, article 187-quinquies "Responsibility of the entity");
- L. Negligent homicide charge and serious or very serious injuries committed in violation of the accident prevention regulations and the protection of hygiene and health at work (article 25-septies of the Decree);
- M. Offenses of fencing, money laundering and use of money, goods or benefits of illegal origin, as well as self-laundering (article 25-octies of the Decree);
- N. Copyright infringement crimes (article 25-novies of the Decree);
- O. Offense of induction not to make statements or to make false statements to the judicial authority (article 25-decies of the Decree);
- P. Environmental crimes (article 25-undecies of the Decree);
- Q. Offense of employment of third-country nationals whose stay is irregular (art. 25-duodecies of the Decree);
- R. Transnational crimes (art.10, Law 146/2006);
- S. Offenses of racism and xenophobia (art. 25-terdecies of the Decree);
- T. Crimes of fraud in sports competitions, abusive gambling or betting (art. 25 quaterdecies of the Decree);
- U. Tax Offenses (art. 25 Quinquiesdecies of the Decree).

2.2 The criteria for attributing the Entity's liability

The administrative offense, dependent on the predicate offense, is attributed to the Entity on the basis of both objective and subjective imputation criteria.

From an objective point of view, the Entity is liable if the offense is committed:

- by a subject functionally linked to the Entity;
- in the interest or for the benefit of the Entity.

The subjects who can engage the responsibility of the Entity with their own conduct are:

- subjects that perform functions of representation, administration, management of the Entity or one of its Organizational Units with financial and functional autonomy, as well as those who exercise, even in fact, the management and control of the Entity (so-called subjects in " top position ");
- subjects subject to management or control by senior managers (so-called subordinate subjects).

In order for the Entity's liability to be configured, the fact of the offense must be committed in the interest or for the benefit of the same; the Entity is not liable if the crime is committed in the exclusive interest of the offender or third parties.

The offense is intended to be committed in the interest of the Entity if, on the basis of an ex ante evaluation, it is possible to believe that the offender acted with the purpose of making the Entity obtain any usefulness of any nature, independently from its actual achievement.

Instead, the offense is committed to the benefit of the Entity when, by assessing the effects of the agent's conduct ex post, it is possible to say that the Entity has benefited from the implementation of the offense. For culpable offenses, the offense is considered committed for the benefit of the Entity when the conduct was put in place with the prospect of achieving an economic, resource or time saving.

The subjective imputation criteria, however, pertain to the guilt profile of the Entity. His responsibility exists if the necessary standards of sound management and control relating to his organization and the conduct of his business have not been adopted or have not been respected. The Entity's fault stems from ascertaining an incorrect company policy or organizational deficits that do not prevent the commission of one of the predicate offenses.

2.3 The conditions of exclusion from administrative liability

The Decree excludes the Entity's liability in the event that, prior to the commission of the offense, the Entity has adopted and effectively implemented a "Model of organization, management and control" suitable for preventing the commission of offenses of the kind that was made.

The Model operates as an exemption both in the event that the predicate offense was committed by a white-collar director or by a subordinate person.

However, for crimes committed by senior managers, the Decree introduces a presumption of liability of the Entity, since it provides for the exclusion of its liability only if it proves that:

- before the commission of the offense, the Board of Directors adopted and effectively implemented a Model suitable for preventing crimes of the type occurred;
- the task of supervising the functioning and observance of the Model and of updating it has been entrusted to an institution of the Entity with autonomous initiative and control powers (Supervisory Body, hereinafter also "SB");
- the people committed the crime by fraudulently circumventing the Model;
- there was no omission or insufficient supervision by the SB.

For crimes committed by subordinate subjects, however, the Entity is liable only in the event that it is proven that "the commission of the offense was made possible by non-compliance with the management or supervision obligations" that typically weigh on top management. Even in this case, however, the adoption and effective implementation of the Model, with respect to the predicate offense in question, prior to the commission of the offense, excludes non-compliance with the management or supervision obligations and exempts the Entity from liability.

The adoption and effective implementation of the Model, therefore, although not constituting a legal obligation, represent the only tool available to the Entity to go free from the liability established by the Decree and demonstrate its non-involvement in the crime.

2.4 The organization, management and control model

The Decree does not analytically indicate the characteristics and contents of the Model, but confines itself to dictating some general principles and some essential elements of content.

Pursuant to the Decree, the Model must provide, in relation to the nature and size of the organization, as well as the type of activity carried out, suitable measures to guarantee the performance of the activity in compliance with the Law and to promptly detect and eliminate situations of risk of commission of specific crimes.

In particular, the Model must:

- identify the activities in which offenses can be committed (so-called sensitive activities);
- provide for specific protocols aimed at planning the formation and implementation of the Entity's decisions, in relation to the crimes to be prevented;
- identify ways of managing financial resources suitable for preventing the commission of crimes;
- provide information obligations towards the body appointed to supervise the functioning and observance of the Model;
- introduce a disciplinary system suitable for sanctioning failure to comply with the measures indicated in the Model.

With reference to effective implementation, the Decree also provides for the need for periodic verification and modification of the Model to be implemented promptly if:

- significant violations of the regulations are discovered;
- changes occur in the organization or activity of the organization;
- regulatory changes occur.

2.5 Crimes committed abroad

Based on the provisions of art. 4 of the Decree, the Entity may also be called to respond in Italy in relation to predicate offenses committed abroad, provided that the objective and subjective imputation criteria

referred to in paragraph 2.2 above are met.

The Decree, however, provides that the Entity can be prosecuted for crimes committed abroad only if the following additional conditions exist:

- the State of the place where the offense was committed does not already proceed against the Entity;
- the Entity has its headquarters in the territory of the Italian State;
- the conditions of admissibility foreseen by art. 7, 8, 9, 10 of the penal code are met.

2.6 Sanctions for the Entity

The sanctioning system outlined by the Decree is essentially binary since it foresees financial penalties and disqualifications: the former derive from the commission of the offense; the latter apply in cases of particular gravity.

They must also be considered pursuant to art. 9 of the Decree:

- the confiscation of the price or profit of the crime;
- the publication of the sentence.

These penalties, although applied by a criminal judge, are classified as administrative.

The pecuniary sanction is always applied in case of conviction of the Entity and is determined by the Judge through a system based on "quotas". The number of shares depends on the seriousness of the crime, on the degree of responsibility of the organization, on the activity carried out to eliminate the consequences of the event and mitigate the consequences or to prevent the commission of other offenses. In order to ensure the effectiveness of the sanction, in establishing the amount of the individual fee, the Judge takes into account the Entity's economic and financial conditions.

The disqualification sanctions are applied in addition to the pecuniary sanction only if expressly provided for the offense for which it proceeds² and provided that at least one of the following conditions is met:

- the Entity made a significant profit from the crime and the crime was committed by a top

² The legislator considered the disqualification sanctions applicable only to some types of offense of the following categories: offenses committed in relations with the Public Administration (articles 24 and 25 of the Decree); computer crimes and unlawful data processing (art. 24-bis of the Decree); organized crime offenses (art. 24-ter of the Decree); forgery of coins, public credit cards, revenue stamps and instruments or signs of recognition (art. 25-bis of the Decree); crimes against industry and commerce (art. 25-bis.1 of the Decree); corruption crime (art. 25-ter of the Decree); crimes with the purpose of terrorism or subversion of the democratic order (art. 25-quater of the Decree); female genital mutilation practices (art.25-quater.1 of the Decree); crimes against the individual personality (art. 25-quinquies of the Decree); manslaughter and serious or very serious injuries, committed in violation of the rules on the protection of health and safety at work (art. 25-septies of the Decree); receiving, laundering and using money, goods or benefits of illegal origin (art.25-octies of the Decree); copyright infringement crimes (art. 25-novies of the Decree); environmental crimes (art. 25-undecies of the Decree); employment of irregular citizens (art.25 duodecies of the Decree).

(3) Fraud in sports competitions (art.25 quaterdecies of the Decree), tax offenses (art.25 quinquiesdecies of the Decree).

person, or by a subordinate person, but only if the commission of the crime was facilitated by serious organizational deficiencies;

- in the event of repeated offenses.

The disqualification sanctions provided for by the Decree are:

- disqualification from carrying out the activity;
- suspension or revocation of authorizations, licenses or concessions functional to the commission of the offense;
- the ban on contracting with the Public Administration, except to obtain the performance of a public service;
- the exclusion from concessions, loans, contributions or subsidies and the possible revocation of those already granted;
- a ban on advertising goods or services. Disqualification sanctions are normally temporary, but in the most serious cases they can exceptionally be applied with definitive effects.

These sanctions can also be applied as a precautionary measure, or before sentencing, if there are serious indications of the Entity's liability and there are well-founded and specific elements that make it possible to believe that there is a danger that illegal acts of the same nature as the one for which they are committed proceeds. However, the disqualification sanctions do not apply if, before the opening declaration of the first instance hearing, the Entity has:

- compensated the damage and eliminated the harmful or dangerous consequences of the crime (or, at least, has effectively used it);
- making the profit of the crime available to the judicial authority;
- eliminated the organizational deficiencies that led to the crime, by adopting and making operational organizational models suitable for preventing the commission of new crimes of the kind that occurred.

The Decree also provides for two other sanctions: confiscation and publication of the sentence.

Confiscation is always ordered with the conviction and consists in the acquisition by the State of the price or profit of the crime, or of sums of money, goods or other utilities of a value equivalent to the price or profit of the crime.

Article 19 paragraph 2 states that "*Whether confiscation as per paragraph 1 is not possible, sums of money, assets or other benefits of equivalent value to the price or profit of the crime shall be confiscated*".

This is the confiscation by equivalent to which the guidelines established ascribes a restorative function, depriving the Entity of a quantum equivalent to the economic advantage achieved.

Despite the wording used by the legislator, it consists of a mandatory provision: the formula "can" does not express the intention of recognizing a faculty to the judge, the latter will have to verify the impossibility of providing for direct confiscation and correspondence of the value of the goods subject to ablation to the value of the profit achieved.

The publication of the sentence of condemnation in one or more newspapers indicated by the Judge in the sentence as well as by posting in the municipality where the Entity has its main office, can be ordered when a disqualification sanction is applied against the Entity. The sanction does not result from the law, but is subject to the discretion of the Judge, when the disqualification sanctions have been imposed.

2.7 The precautionary measures

The Decree also provides for the applicability of precautionary measures for the Entity.

In particular, the Judge can order precautionary measures of a disqualification type which consist in limiting the activity of the Entity and of a real type (preventive and conservative seizure), whose function is to place restrictions on the assets belonging to the entity

The precautionary disqualification measures have a double value: avoiding the dispersion of the entity's assets to guarantee civil obligations arising from a crime and limiting the operations of the Entity when the continuation of the same could aggravate or prolong the consequences of the crime.

It is possible to replace the disqualification precautionary measure with the appointment of a judicial commissioner for a period equal to the duration of the measure that would have been applied.

The actual precautionary measures are provided for in articles 53 and 54 of the Decree:

- Article. 53 of the Decree provides for the preventive seizure of things whose confiscation is allowed pursuant to art. 19 of the same Decree;
- Article. 54 of the Decree provides that at any stage and degree of the trial proceeding, the seizure of the movable and immovable property of the Entity or of the sums or things due to it is allowed, if there is a justified reason to believe that the guarantees are missing or are dispersed for the payment of the financial penalty, the costs of the proceedings and any other sum due to the State Treasury.

3 THE CORPORATE CONTEXT

3.1 Business activity

Irplast S.p.A. is a joint stock company that deals with the production and transformation of polypropylene films.

It specializes in packaging for the food, beverage, detergent and tobacco sectors.

Irplast is the first producer of simultaneously bi-oriented BOPP films and is one of the main European players specializing in the printing of "in-house" S-BOPP film labels.

Irplast also operates on the market with solutions for multi-packaging, "Shrink sleeves" and printed adhesive tapes.

The business is spread over three production sites, one in Empoli and two in Atessa; the production is divided into the production of BOPP and S-BOPP films, Label tech divisions (labels from reels) and PRINT TAPE (printed adhesive tapes).

3.2 Governance

Irplast's Corporate Governance is structured as follows:

- **the Board of Directors**, which is the body at the top of the corporate governance system and is vested with managerial powers for the ordinary and extraordinary administration of the Company; a Chief Executive Officer is appointed internally;
- **The Chairman of the Board of Directors** has powers of direction and control over the general management of the company; is the representation of the Company in front of banks, credit institutions and lenders;
- **the Chief Executive Officer**, responsible for implementing the general directives issued by the Board of Directors;
- **the Board of Statutory Auditors**, which carries out the task of supervising compliance with the principles of correct administration in the performance of corporate activities, the adequacy of the organizational structure, the internal control system and the administrative system of the company as well as the methods of implementation of the corporate governance; the activities relating to accounting control are carried out through a specifically appointed auditing company.

For the functioning of the aforementioned Bodies, reference should be made to the provisions of the Articles of Association and the reference documents of the Company relating to their appointment.

As regards the organization of personnel, Irplast S.p.A. has an organizational structure of human resources made up of employees hired with a subordinate employment contract and who work at its offices.

Irplast S.p.A. avails itself also of collaborators and external consultants with particular skills, on the basis of assignment through self-employment contracts or collaboration contracts.

In addition to what has been represented up to now in terms of corporate governance, it is recalled that:

- A single-person Supervisory Body established pursuant to the Decree (see Chapter 5 of the Model) which completes the framework of the Company's bodies and has the task of supervising the functioning and observance of the Model and proposing its update.

3.3 The organizational structure

The organizational structure of the Company is inspired by the principle of the separation of tasks, roles and responsibilities between the operational and control functions and is illustrated in the organizational chart, which can be consulted on the company's intranet.

This document is subject to constant and timely updating by the Human Resources Organizational Unit.

3.4 Local Units

Irplast S.p.A. has located a production center in Atesa consisting of two factories. The production of specialty films in BOPP and S-BOPP is concentrated in this unit.

3.5 Corporate procedures

As part of its organizational system, Irplast has defined a set of procedures aimed at regulating business processes.

The procedures, both printed on paper and computerized, as well as the Management Systems adopted by the Company and referred to in this Model, constitute the rules to be followed in the performance of company activities and in the implementation of controls in order to guarantee the correctness, effectiveness and efficiency of the various processes.

3.6 Irplast Group

Irplast S.p.A. has created over the years some subsidiaries and associated companies with the aim of ensuring optimal management of some industrial activities in various capacities connected to the main activity of Irplast.

The only company currently controlled by Irplast S.p.A. is Immobiliare Porta Volta S.r.l., a company currently subject to voluntary liquidation.

4. THE ORGANIZATION, MANAGEMENT AND CONTROL MODEL OF IRPLAST SPA

4.1 Introduction

The adoption of an organization, management and control model pursuant to Legislative Decree 231/2001 and its effective implementation, in addition to representing a reason for exemption from liability of the Company with reference to the commission of the categories of crime mentioned, presupposes good organization and propensity to observe the rules at its basis.

Corporate policy is very attentive to the image of the company and the expectations of stakeholders (workers, local community, institutions, clients). This initiative joins others, such as the specific certifications obtained: UNI 10667 - 1: 2017 (pre-consumer recycling), DPG Deutsche Pfandsystem GmbH, UNI EN ISO 9001 (for the quality management system) UNI EN ISO 14001: 2015 (for the environmental management system), AIB International and BRC "High Hygiene.

In this context, the adoption of a Model, together with the Code of Ethics, intended as a charter of values that the company boasts and addressed not only to the recipients of the model, but also to the contractual partners - so that in carrying out their work activities always can behave inspired by the ethics of responsibility, even regardless of the prevention of the crimes covered by the Decree - it constitutes an opportunity to strengthen the principle of sound and efficient company management as well as the image of correctness and transparency to which the company has always been oriented business activity.

4.2 Purpose of the Model

The purpose of the Model is the preparation of a structured and organic system of procedures and rules that must be respected in order to reduce the risk of committing the offenses contemplated in the Decree, with the aim of constituting the exemption for the administrative liability of the Company.

In particular, the model aims to:

- identify the activities in which crimes may be committed by verifying the operations at risk;
- provide for specific protocols aimed at planning the training and implementation of decisions
- of the Company in relation to the crimes to be prevented;
- identify methods for managing financial resources suitable for preventing the commission of such offenses;
- introduce a disciplinary system suitable for sanctioning non-compliance with the measures indicated in the Model;
- determine, in all those who work in the name and on behalf of the Company in the "areas of activity at risk" and / or in the context of "sensitive processes", the awareness of being able to incur, in the event of violation of the provisions contained therein, in an offense punishable not only by criminal sanctions against the natural person, but also by administrative sanctions against the Company;
- allow the Company, thanks to a monitoring action on "areas of activity at risk", to intervene promptly to prevent or counter the commission of the crimes themselves;
- structure, implement and maintain an SGSL (Occupational Safety Management System) such as to eliminate or minimize the risks associated with the activities to which its workers and other parties involved are exposed in an acceptable form;
- raise awareness and disseminate the rules of conduct and established procedures at all company levels;
- attribute to the Supervisory Body specific powers of control over the effective and correct functioning of the Model as well as its exempting effectiveness;
- verify the functioning of the Model with consequent periodic updating; - provide for information obligations towards the Supervisory Body.

4.3 Recipients of the Model

The recipients of the Model and, as such, are required to observe it:

- **Senior Managers:** - those who perform functions of representation, administration or management of the Company, or one of its organizational units, as well as those who exercise, even de facto, the management and control of the Company;
- **All employed workers subject to the direction and supervision of top management:**

They fall into the category:

- all subordinate workers, temporary workers, trainees, collaborators.

The subjects to whom the Model is addressed are required to promptly comply with all the provisions, also in fulfilment of the duties of loyalty, correctness and diligence that arise from the legal relationships established with the Company.

4.4. The fundamental elements of the Model

In line with the indications of the Decree and the Confindustria Guidelines, the main steps followed for the preparation of the Model were:

1st phase: collection and analysis of all essential documentation

First of all, was collected the whole official documentation available at the company related to:

- company statute;
- organization chart (March 2020 version);
- proxies and powers of attorney;
- operational regulations and formalized procedures;
- existing sanction system.

These documents were examined, in order to establish an information platform of the structure and operations of the company, as well as the distribution of powers and responsibilities.

2nd phase: identification of the activities at risk

A detailed analysis of each activity carried out in the company was then carried out, with the aim of assessing the existence or non-existence of offenses related to the cases indicated by Legislative Decree 231/01.

The areas exposed to the risk of crime pursuant to Legislative Decree 231/2001 were therefore identified through interviews conducted with the managers of the various company sectors and then re-analysed with them in order to integrate, modify or confirm what was originally detected.

3rd phase: identification and analysis of the current risk safeguards

For the areas exposed to the risk of crime, a review of the operational procedures and internal control activities that exist and are suitable for monitoring the identified risk was then carried out.

4th phase: gap analysis

The risk situation and related safeguards were compared with the needs and requirements imposed by Legislative Decree 231/2001 in order to identify the shortcomings of the existing system. Therefore, also through consultations with the subjects responsible for the management of the activities at risk that are not sufficiently supervised, steps were taken to identify the interventions that were most effectively suitable for effectively preventing the identified risk hypotheses, also taking into account the existence of operational rules in force or only respected in practice.

5th phase: definition of the protocols

For each operating unit in which a risk hypothesis has been identified as subsisting, the existence of a protocol to be adopted and / or operating instructions containing the most suitable discipline to govern the identified risk profile was therefore verified by integrating, where appropriate, with a set of detailed rules to be followed in each individual activity in order to ensure risk prevention.

The protocols are inspired by the rule of making the various phases of the decision-making process documented and verifiable, so that it is possible to trace the motivation that guided the decision.

4.5 Offenses relevant to the Company

In light of the analysis of the company context and the sensitive activities identified, the offenses included in macro-families A, B, C, D, E, F, G, L, M, N, O, P, Q, U -in paragraph 2.1- are considered relevant and therefore specifically examined in the Special Parts of the Model to which reference is made.

In relation to the analysis of the production processes and the activities carried out, it was considered, conversely, that the concrete risk of committing the following categories of crime - in relation to which, in any case, compliance with the Code of Ethics represents however a safeguard - did not occur for Irplast, these are therefore not dealt with in the Special Section:

- crimes with the purpose of terrorism or subversion of the democratic order;
- crimes against female sexual integrity;
- transnational crimes (macro-family R).

In relation to the crimes included in the macro-family S (racism and xenophobia) it is noted that following the entry into force of Legislative Decree 21/2018, the offense contemplated by art. 3 co. 3 -Bis L. 654/75 has been repealed and today reference is made to art. 604 bis of the criminal code.

It is also specified that Irplast S.p.A. to date it is not listed on the stock exchange, which is why the crimes referred to in category K have not been dealt with.

4.6 The adoption, amendments and additions of the Model

The exclusive competence for the adoption, modification and integration of the Model lies with the Board of Directors.

The SB (Supervisory Body), within the powers conferred on it in accordance with the second indent of Article 6 (1) and the first indent of Article 7 (4) of the Decree, has the power to formulate to the BoD proposals for updating and adapting the Model and has the duty to report, promptly and in writing, facts, circumstances or organizational deficiencies found in the supervisory activity that highlight the need or opportunity to amend the Model totally or partially.

In any case, the Board of Directors must promptly amend or integrate the Model, also upon proposal and in any case after consulting the SB:

- where sufficient evidence shows that the provisions of the Model have been circumvented

or infringed, demonstrating its ineffectiveness or inconsistency for the purpose of preventing offenses;

- significant changes in the internal structure of the Company and / or in the methods of conducting business activities;
- regulatory changes.

Changes, updates or additions to the Model must always be communicated to the SB.

The operating procedures adopted in implementation of the Model are updated by the competent corporate functions, if they prove to be ineffective for the purposes of a correct implementation of the provisions of the Model. The competent corporate functions also take care of any changes or additions to the aforementioned procedures that may be necessary to implement any revisions of this Model.

The SB is promptly informed of the updating and implementation of the new operating procedures.

All'interno della gerarchia aziendale l'Organismo di Vigilanza è posto in posizione apicale e in rapporto diretto con il Consiglio di Amministrazione al quale riferisce di eventuali violazioni del Modello.

Per poter svolgere efficacemente l'attività assegnata, l'Organismo possiede al suo interno competenze tecnico-professionali adeguate e capacità specifiche in tema di attività ispettiva.

5 THE SUPERVISORY BODY

5.1. Function

In compliance with the provisions of the second indent of Article 6 (1) of the Decree, the Company has established a specific corporate body (SB) with the task of continuously monitoring the effective functioning and observance of the Model, as well as updating it and proposing any change and / or addition that may become necessary to the Board of Directors, as reported in *paragraph 4.6* of the Model.

Within the corporate hierarchy, the Supervisory Body is placed in a top position and in direct relationship with the Board of Directors to which it reports any violations of the Model.

In order to effectively carry out the assigned activity, the Body possesses adequate technical-professional skills and specific capabilities in terms of inspection activities.

5.2. Regulations of the Supervisory Body

5.2.1 Composition, designation and forfeiture

The Supervisory Body is composed of one single member.

The only member is appointed by the Board of Directors which, in agreement with the Board of Statutory Auditors, establishes the annual remuneration.

The member of the Supervisory Body remains in office until the expiry of the Board of Directors that appointed him and in any case for no more than three years, after which he can be re-appointed.

Once the term of office has expired, the outgoing SB remains in office extending its duties until a new SB has been appointed.

5.2.2 Causes of ineligibility and forfeiture

Those who find themselves in one of the causes of ineligibility and forfeiture referred to in art. 2382 of the Italian Civil Code, such as relatives by marriage and blood-relatives up to the fourth degree of the Managing Director, cannot be appointed as a member of the SB and, if appointed, are immediately debarred.

Furthermore, in the event that a person not linked to the company by an employment relationship is appointed, any economic relationships established must not compromise his independence.

5.2.3 Replacement and revocation

The absence of the subjective requirements for the member of the Supervisory Body results in the immediate forfeiture of office.

In the event of forfeiture, expiry of the mandate, resignation, death or revocation of the member of the SB, the Board of Directors appoints the new member.

Causes of forfeiture are: interdiction, disqualification, a serious illness that makes the member unsuitable to carry out the supervisory functions.

The possible revocation of the member of the Supervisory Body can only take place for serious breaches relating to their duties, by resolution of the Board of Directors, in agreement with the Board of Statutory Auditors.

In the event of resignation or revocation due to "serious breaches", it is mandatory to promptly notify the Chief Executive Officer, so that, in relation to the specific circumstance, the Board of Directors may intervene for subsequent actions and in particular for the timely replacement of the member of the 'Supervisory Body ceased.

5.2.4 Remuneration

The annual remuneration of the single member of the SB is determined by the Board of Directors upon his/her appointment, and remains unchanged for the entire duration of the appointment.

5.2.5 Duties and powers of the Supervisory Body

The SB has, within the Company, autonomous powers of initiative and control such as to allow the effective performance of the tasks provided for in the Model.

The Body does not have management or decision-making powers relating to the performance of the Company's activities, organizational powers or powers to change the corporate structure,

nor sanctioning powers.

Specifically, the following tasks are assigned to the SB of the Company:

- verify the efficiency, effectiveness and suitability of the Model adopted with respect to the prevention of crimes pursuant to Legislative Decree 231/01;
- monitor the adequacy of the model, verifying the ability of the model to prevent crimes;
- formulate proposals to the BoD regarding the updating and adaptation of Model 231, in accordance with the provisions of the second indent of Article 6 (1) and first indent of Article 7 (4) of the Decree;
- promptly report to the BoD and the Board of Statutory Auditors facts, circumstances, organizational deficiencies and ascertained violations of the Model such as to deem it appropriate to update it and / or to adopt disciplinary proceedings;
- conduct internal investigations and carry out inspections to ascertain alleged violations of the provisions contained in the Model;
- propose to the holder of disciplinary power the adoption of the sanctions referred to in Chapter 6 below;
- draw up an annual report on the activities carried out for the Board of Directors.

In order to perform the above-mentioned tasks, the following powers are attributed to the member of the Body:

- access at any organizational unit, without prior notice, to request and acquire information, documentation and data deemed necessary for the performance of the tasks envisaged by the Model;
- request for clarification and information, if necessary, from employees, directors and members of the Board of Statutory Auditors and the Board of Directors of the Company;
- request, if necessary, for written reports and / or interview with subjects involved in the various phases of the processes subject to controls and / or inspections;
- access to all information concerning sensitive activities, as listed in the Special Parts of the Model;
- recruit of skilled external consultants, when it is necessary to solve particularly complex problems.

5.2.6 Meetings of the Supervisory Body

The Supervisory Body meets at least quarterly to verify the state of implementation of the model, to control, follow-up and subsequently adopt the consequent resolutions

5.2.7 Liability

The members of the Body must fulfil their duties with the rules of diligence to which the

mandatory is legally bound and are fully responsible for the veracity of the information transmitted.

5.3 Information to and from the Supervisory Body

5.3.1 Information flows to the Supervisory Body

The Supervisory Body is the recipient of the information flows described in the following points *a)* and *b)*. These flows can be communicated to the SB through the indifferent use of the following channels:

- e-mail, by sending an e-mail to the address dedicated to the Supervisory Body (ODV@irplast.com)

Specifically, the following are subject to reporting to the SB:

a) Requests for clarification regarding the application of the provisions of the Model

All employees and members of the Company's corporate bodies can request clarification from the Supervisory Body regarding the correct interpretation and application of the Model, the prevention protocols, the related implementation procedures and the Code of Ethics.

b) Other information flows

In addition to the aforementioned reports, the following types of information must be sent to the SB:

b.1) the information relating to specific sensitive activities, which the managers / employees of the Company are required to provide on a regular basis and in compliance with the deadlines specified therein, taking care to communicate: level of implementation of the model, compliance with supervisory principles and behaviour; any critical issues in the processes managed; changes in processes and procedures;

b.2) information relating to sensitive operations managed according to procedural procedures other than those described in the Model and / or in the company procedures of which the SB must be informed in order to activate the evidences deemed necessary. The managers and / or process managers who are managing the transactions in question, due to exceptional situations, to a specific peculiarity of the sensitive operation or to matters of exceptional urgency or particular confidentiality, are required to make such reports.

The fulfilment of the information obligations towards the Supervisory Body falls within the broader duty of diligence and loyalty obligation of the employee referred to in Articles 2104 and 2105 of the Italian Civil Code. The correct fulfilment of the information obligation by the latter cannot give rise to the application of disciplinary sanctions.

On the other hand, the violation of the information obligations towards the SB, constituting a violation of the Model, is subject to the provisions of Chapter 6 *The Sanctioning System*".

5.3.2 Information flows to the Board of Directors and the Board of Statutory Auditors

The Supervisory Body prepares annually a summary report with the activity carried out in the reference year and which is addressed to the Board of Directors.

This document contains the description of the activities planned by the SB for the following year, together with the related expenditure budget, to be submitted to the Board of Directors.

In addition, the SB reports without delay to the Board of Directors and the Board of Statutory Auditors on significant circumstances and facts of its office or any urgent criticalities of the Model that emerged in the context of the supervisory activity.

The SB's obligation to inform the Board of Directors is divided into three lines of reports which can be summarized as follows:

- a) Disclosure on an ongoing basis;
- b) Periodic reporting to the Board of Directors;
- c) Immediate information.

5.3.3 Specific report of illegal conducts pursuant to Legislative Decree 231/2001

pursuant to Legislative Decree 231/2001 Pursuant to art. 6, co. 2 bis, of Legislative Decree no. 231/01 (introduced by Law no. 179/2017 entitled "Provisions for the protection for whistle-blowers who report of allegation of frauds, crimes or irregularities of which they have become aware in the context of a public or private employment relationship" and known as the "Law on Whistleblowing "), the people referred to in the following letters a) and b), namely:

- a) persons who in the company or in one of its organizational units with financial and functional autonomy, have representative, administrative or management functions, as well as persons who exercise, even de facto, the management and control of the same,
- b) persons subject to the management or supervision of one of the subjects referred to in letter a),

who come into possession of information relating to unlawful conduct, commission or omission, relevant pursuant to Legislative Decree 231/01 or violations of the Model, are required to promptly report it through the following channels:

- e-mail, by sending an e-mail to the protected address accessible only to the person authorized to receive reports: ODV@irplast.com
- mail, with the wording "confidential", to the address:

Irplast SpA
For the attention of the SB
S.P. Val d'Elsa - Z.I Terrafino
50053 Empoli (FI)

If the reporting subject wants to rectify a previously sent report, he can do so at any time, using the same channel used to send the previous report.

The content of the reports must be detailed and based on precise and consistent factual elements. In fact, the whistle-blower is required to provide all the useful elements to allow the person authorized to receive the reports to proceed with the verification of the acceptability of the report.

Having assessed the acceptability of the report, the person authorized to receive the reports, as appropriate, may involve other corporate bodies and / or functions in the analysis of the facts described therein.

All the subjects involved in the management of the report, for any reason whatsoever, are required to guarantee maximum confidentiality on the subjects (reporting and reported) and on the facts reported. In the event of a breach of the confidentiality obligation, the sanctions provided for by the sanctioning and disciplinary system are applied to them, without prejudice to further forms of sanctions provided for by law.

5.3.4 Role of the Supervisory Body in the Whistleblowing system

Upon receipt of the report, the Supervisory Body carries out the following activities:

Analyses the documentation received from the whistle-blower and carries out a preliminary examination on the existence of the conditions necessary to start further investigations.

In particular, the SB assesses at an initial stage whether there are grounds for validity and reliability also in relation to the possibility of being able to reach concrete verifications about the reported facts.

Therefore, in the face of a report received, the SB:

- Preliminary analyses whether the reported fact is relevant for the purposes of Legislative Decree 231/01
- Where the report is complete and relevant, defines whether the involvement of other competent functions is necessary to continue with the performance of the checks
- Evaluates the further actions to be taken for the purpose of verifying the report such as, for example, initiating audits, requesting management insights, requesting further clarifications from the whistle-blower or requesting, if deemed necessary, the intervention of external authorities responsible for investigations and assessments

If the report is too general or unfounded, the Supervisory Body proceeds to file it.

5.3.5 Protection of the whistle-blower

Reports must be made in good faith and not anonymously.

The identity of the whistle-blower is protected both in the acquisition phase of the report and in the subsequent management phases. In particular, the Company guarantees that the identity of the whistle-blower is not disclosed without his explicit consent except in cases where:

- the report is made in bad faith, with the aim of damaging the reported person and liability for

slander or defamation may be configured;
- anonymity is not enforceable by law (e.g. criminal investigations).

The violation of the confidentiality obligation by the parties involved in the management of the report is a source of disciplinary responsibility, without prejudice to any further form of liability required by law.

Subjects who have made reports in good faith will be protected, pursuant to the third indent of Article 6 (2) of Legislative Decree 231/01 and other regulations in force, against any act, direct or indirect, of retaliation or discrimination connected directly or indirectly to the report. Discriminatory measures mean the imposition of disciplinary sanctions, demotion, dismissals, transfers or subjecting the whistle-blower to other organizational measures that have direct or indirect negative effects on the working conditions following the submission of the report.

The adoption of discriminatory measures against the subjects who make the reports referred to in paragraph 2-bis can be reported to the National Labour Inspectorate, for the measures within its competence, as well as by the reporting party, also by the trade union organization indicated by the whistle-blower.

Retaliatory or discriminatory dismissal of the reporting subject is void. The change of duties pursuant to article 2103 of the civil code, as well as any other retaliatory or discriminatory measure adopted against the whistle-blower are also void. It is the responsibility of the employer, in the event of disputes related to the imposition of disciplinary sanctions or to demotion, dismissal, transfer, or subjecting the whistle-blower to other organizational measures having negative, direct or indirect effects, on the working conditions, subsequent to the presentation of the report, demonstrate that such measures are based on reasons unrelated to the report itself.

The Company reserves the right to adopt the appropriate actions and sanctioning procedures against anyone who abuses the reporting channels provided or carries out, or threatens to carry out, retaliatory acts against those who have submitted reports in accordance with the provisions described above, without prejudice to the right of the successors in title to legally protect themselves if the reporting party is found to have criminal or civil liability related to the falsity of what has been declared or reported.

6 THE PENALTY SYSTEM

6.1 The general principles

The sanctioning system described below is an autonomous system of measures aimed at overseeing compliance with and effective implementation of the Model: the aim is to strengthen the awareness in the company staff and in anyone who in the company personnel and in anyone who collaborates in any capacity with the Company that Irplast prosecutes any violation of the established rules.

The application of the sanctions prescribed by the Model does not replace or presuppose the imposition of any further sanctions of other nature (criminal, administrative, tax) that may arise from the same fact. However, if the violation committed also constitutes a hypothesis of crime subject to dispute by the

Judicial Authority and the Company is unable, with the means of assessment at its disposal, to arrive at a clear reconstruction of the facts, the latter may await the outcome of the judicial investigations to adopt a disciplinary measure.

6.2 The subjects

All workers, including temporary workers, managers, directors, members of the Board of Statutory Auditors, self-employed workers, any collaborator who has any contractual relationship with the Company, including trainees, are bound by the disciplinary system referred to in this Model.

The procedure for the imposition of sanctions takes into consideration:

- objective regulatory differences between employees, including managers who work and act in the name and on behalf of Irplast;
- legal framework and provisions applicable by law in relation to the type of employment relationship of the subject;
- powers and proxies conferred, which can be inferred from the Company Bylaws and / or from the notarial proxies.

6.3 The disciplinary procedure

The disciplinary procedure is initiated on the instigation of the SB which also carries out an advisory function throughout its entire course.

A dedicated information channel has been established to facilitate the flow of reports to the Supervisory Body about any violations of the Model (see paragraph 5.3.2 of the Model).

In particular, the SB, having acquired the news of a violation or an alleged violation of the Model, takes immediate action to carry out the necessary investigations, guaranteeing the confidentiality of the person against whom it proceeds.

In the event that the Supervisory Body, following the checks carried out, identifies a punishable behaviour, it must immediately inform, depending on the persons involved, the Head of the Human Resources Department, the Chief Executive Officer or the Board of Directors.

The powers regarding disciplinary proceedings and the imposition of sanctions are established by the Workers' Statute and company procedures.

Whoever imposes the sanction is obliged to inform the SB of the provision by means of a documented copy. The type and extent of the sanctions must be proportionate to the following aspects:

- the intentionality of the behaviour or the degree of negligence, imprudence or inexperience with regard also to the predictability of the event;

- the overall behaviour of the subject against whom proceedings are carried out with particular regard to the existence or otherwise of previous disciplinary measures of the same;
- the duties of the person against whom the proceedings are carried out;
- the possible participation of other subjects in the responsibility;
- the functional position of the persons involved in the facts constituting the breach;
- the consequences for the Company, or the extent of the damage or danger as a consequence of the infringement for the Company and / or for all stakeholders;
- the circumstances in which the infringement took place;
- the relevance of the obligations violated.

6.4 Sanctions against employees

The conduct of employees of Irplast S.p.A. in violation of the individual behavioural rules attributable to this Model are defined as disciplinary offenses. The disciplinary measures that may be imposed on employees comply with the provisions of the relevant civil code, in Article 7 of the law of 30 May 1970, no. 300 (Workers' Statute) and any applicable special regulations and coincide with those provided for by art. 52-54 of the current national collective labour agreement for the rubber, electrical cables and plastics industries. In increasing order of severity, the penalties are: to. Verbal warning or written warning; b. Fine not exceeding the amount of 3 hours of pay; c. Suspension from work and pay for up to 3 days; d. Suspension from work and from pay from 4 to 10 days; is. Dismissal with notice; f. Dismissal without notice. For the more serious disciplinary measures than the verbal warning, a written complaint must be made to the worker specifying that he, within 5 days of receiving the written complaint, can present his justifications in writing or request to discuss the complaint with the Head of function and in the presence of the Human Resources Manager, with the assistance of the RSU or by the trade union organizations to which it adheres or gives a mandate. Without prejudice to the adoption of the provision referred to in the next point, if the provision is not issued within 10 working days following the aforementioned fifth day of receipt of the complaint, these justifications will be deemed accepted. If the timing of the proceedings or the needs related to ascertaining the extent of the shortage are incompatible with the presence of the worker in the company, the Company may order the precautionary suspension of the worker for the strictly necessary period and in any case not exceeding 30 days. It is the responsibility of the Head of the Human Resources Department, subject to the approval of the Chief Executive Officer, to adopt disciplinary measures against employees. The Head of the Human Resources Department and the Supervisory Body verify the effective execution of the sanctions imposed

a. Verbal warning or written warning;

The worker who violates the internal procedures envisaged or referred to by the Model, which involves slight prejudices for the Company (for example: who fails to notify the Supervisory Body of the required information; fails to carry out checks) incurs verbal warning or written warning measures; ; does not promptly notify superiors of any anomalies found in the work process that involve slight prejudices for the company).

b. Fine not exceeding the amount of 3 hours of pay

The worker who:

- violates the internal procedures envisaged and referred to in the Model or adopts, in carrying out activities in the areas at risk, a behaviour that does not comply with the prescriptions of the Model itself, where such behaviour can be identified as "negligence or habitual failure to comply with laws or regulations or service obligations in the performance of work ", or, in general, for any negligence or non-compliance with laws or regulations or with the obligations of the service deliberately committed not otherwise sanctionable" (for example: does not observe the rules or does not apply the on safety and hygiene at work of which it has been brought to the attention);
- behave repeatedly in the failures sanctioned with written warning.

c. Suspension from work and from pay up to 3 days;

The worker who:

- adopts behaviour in carrying out activities in the areas at risk that does not comply with the provisions of this Model, in the event that "he deliberately fails to perform the work according to the provisions or instructions received or unjustifiably refuses to perform tasks assigned by superiors" or in " any way it commits serious transgression of what is indicated in the model ";
- or recidivism in the deficiencies sanctioned with the fine;
- or repeatedly recurring in the failures sanctioned with a written warning.

d. Suspension from work and from pay from 4 to 10 days

The worker incurs the provision of suspension in the case of recidivism in the failures sanctioned with the suspension from 1 to 3 days or of repeated recidivism in the failures sanctioned with the fine.

e. Dismissal

An employee who:

- fails to observe, in the risk areas, the personnel coordinated by him, the procedural or behavioural rules prescribed by the Model or the employee who, in addition to personally violating the above rules, operates in such a way as to make the controls ineffective indicated above, thus causing significant damage to the Company;
- or recurrence in the deficiencies punished with suspension from four to ten days.

f. Dismissal without notice

In addition to the exemplification contained in the National Collective Labor Agreement for employees of the rubber, electrical cables and plastics industries, it is specified that dismissal with immediate termination of the employment relationship without notice may be ordered to the worker who:

- adopts behaviour in carrying out activities in areas at risk that is clearly in violation of the provisions of this Model, such as to determine the concrete application by the Company of the measures provided for by Legislative Decree 231/2001, having to recognize this behavior as a "Wilful violation of laws or regulations or of official duties which may cause or have caused severe damage to the Company or to third parties";
- has engaged in conduct aimed at committing a crime envisaged by Legislative Decree 231/2001.

6.5 Sanctions against managers

The violation of the provisions imposed by the Model by the Company managers results in the breach of obligations deriving from the employment relationship, relevant pursuant to art. 2104 cod. civ. (Diligence of the employee).

It is up to the CEO to identify and apply the sanctions deemed most appropriate. He must communicate the penalties applied to the SB, the Board of Directors and the Board of Statutory Auditors.

If the violation of the Model is such that it is considered appropriate to dismiss the executive, the provision will be imposed by the BoD.

In compliance with article 6, paragraph 2, letter e) of Legislative Decree 231/2001, a disciplinary system with conservative sanctions proportional to the extent of the infringements was introduced, suitable for

sanctioning non-compliance with the measures indicated by the Model.

This system does not prejudice or substitute any provisions in force relating to the National Collective Employment Agreement for industrial executives.

In relation to the seriousness of the ascertained disciplinary offenses, the sanctions are:

- a. Verbal warning or written warning;*
- b. Fine not exceeding the amount of 3 hours of pay;*
- c. Suspension from work and from pay from 1 to 3 days;*
- d. Suspension from work and from pay from 4 to 10 days;*
- e. Dismissal.*

The Board of Directors and the SB verify the effective execution of the imposed sanction.

- a. Written warning*

The manager whose behaviour is recognized as follows:

- slight non-compliance with the provisions of the internal procedures provided for by the Model (for example, failing to notify the SB of the required information, etc.);
- tolerance or failure to report minor irregularities (e.g. failure to apply the non-conformity finding on the supplier in the event of delivery delays) committed by personnel subordinated to him or by other subjects (e.g. consultants, suppliers, etc.).

- b. Fine not exceeding the amount of 3 hours of pay*

The manager whose behaviour is recognized as follows incurs the above-mentioned sanction:

- deficiencies punishable by verbal reprimand but which, due to specific consequences or recidivism, are considered more serious (repeated violation of the internal procedures provided for by the Model or repeated adoption of behaviour that does not comply with the provisions of the Model itself);
- failure to report or tolerate irregularities committed by personnel subordinated to him or by others (e.g. consultants, suppliers, etc.).

- c. Suspension from work and from pay from 1 to 3 days*

The above-mentioned sanction will affect the executive who:

- adopts behaviour in carrying out activities in areas at risk that does not comply with the provisions of this Model, in the event that "he commits serious transgression or non-compliance with what is indicated in the model";
- or repeat offenses sanctioned with a fine;
- or repeatedly recurring in the failures sanctioned with a written warning.

d. Suspension from work and from pay from 4 to 10 days

The manager incurs the provision of suspension in case of recidivism in the failures sanctioned with the suspension from 1 to 3 days or of repeated recidivism in the failures sanctioned with the fine.

e. Dismissal

An order for dismissal will be issued for the executive whose behaviour is deemed to be a violation of the provisions of the Model such as to constitute one of the offenses sanctioned by Legislative Decree 231/2001 or the adoption, in carrying out activities in the risk areas, of a behaviour of gravity such as to expose the Company to an objective situation of danger or such as to determine negative repercussions for it (e.g. application of one of the sanctions provided for by the decree), thus meaning a significant breach of the obligations to which the manager is bound in carrying out his employment relationship.

6.6 Sanctions against Directors and Statutory Auditors

In case of violations committed by the directors, it will be up to the Board of Directors to take the sanctioning measures deemed to be the most appropriate.

In more serious cases, the General Assembly may also be involved.

In case of violations attributed to the Directors, the SB informs the Board of Statutory Auditors and all the members of the Board of Directors of the infringement notice.

The Board of Directors, after consultation with the Board of Statutory Auditors and the SB, takes the most appropriate sanctioning measures.

If, on the other hand, the violation is committed by one or more statutory auditors, the SB informs the entire Board of Statutory Auditors and the BoD, which will take the appropriate measures, including, for example, the convocation of the General Assembly in order to adopt the most suitable measures provided for by law.

The Board of Directors, the Board of Statutory Auditors and the SB verify the effective execution of the applied sanction.

6.7 Measures against collaborators, consultants and suppliers

Any behaviour carried out by self-employed workers, collaborators, consultants, suppliers or in any case by subjects having contractual relationships with the Company and which is in contrast with the provisions of the Model and liable to involve the risk of committing a crime sanctioned by the Decree, may determine, in accordance with the specific contractual clauses included in the contracts / engagement letters, the resolution of the contractual relationship pursuant to art. 1456 of the Italian Civil Code. This is without prejudice to any request for compensation if this behaviour results in concrete

damage to the Company, as in the case of the application, even as a precautionary measure, of the penalties provided for by the Decree against the Company.

Depending on the entity of the infringement, a suspension of the relationship for a duration of 3 months is envisaged, or, in the most serious cases, the exclusion of such persons from any working relationship with the Company.

In order to allow the taking of initiatives planned in the contractual clauses, the SB informs with a written report the Head of the Area / Office, who manages the contractual relationship of the infringement, and, for his information, the Managing Director. This report, if the contract has been approved by the Board of Directors, must also be sent to its attention and to that of the Board of Statutory Auditors.

The Head of the Area / Office who manages the contractual relationship, on the basis of any decisions made in the meantime by the Chief Executive Officer, as well as by the BoD and the Board of Statutory Auditors, sends the person concerned a written notice stating the observed conduct, the provisions of the Model subject to violation and an indication of the specific contractual clauses whose application is requested.

7 COMMUNICATION AND TRAINING

7.1 Communication

In order to be able to consider the requirement of the effective implementation of this Model integrated, it is in the interest of Irplast S.p.A. to ensure proper disclosure and knowledge of the rules of conduct contained therein towards the recipients referred to in paragraph 5.3.

The Company guarantees the disclosure of the "Organization, Management and Control Model" document by publishing it on the company website, where the "General Part" of the document is available, and through the company intranet, where besides the "General Part" also the "Special Parts" are filed.

Annex I "Irplast's Ethics Code" is published in full both on the company intranet and on the website.

The Chief Executive Officer informs the staff in writing of the approval of the Model as well as of the subsequent amendments and additions and its availability for consultation on the company intranet and at the registered office.

Contracts stipulated with collaborators include the inclusion of specific clauses communicating the adoption of the Model and the consequences deriving from non-compliance with it.

7.2 Training

The Company commits itself to implement training programs with the aim of encouraging the spread within the organizational structure of the behavioural principles, protocols and provisions of the Model. To this end, the SB defines a training plan which identifies the topics to be discussed, the teachers, the participants in the training initiatives, the methods of evaluating the effectiveness of the training activity carried out and other aspects of an organizational nature.

Staff training for the purpose of implementing the Model is mandatory.

Organization, Management and Control Model
Former Legislative Decree n. 231/2001

GENERAL PART

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1 DOCUMENT STRUCTURE

The organization, management and control model (hereinafter also referred to as the "Model") adopted by Irplast S.p.A. consists of this "General Part", several "Special Parts" and an Annex.

The "General Part", after referring to the reference regulatory framework, the business context and the guidelines followed for the development of the Model, illustrates its essential components, with particular reference to the Supervisory Body, the disciplinary system and the measures to be taken in the event of failure to comply with the provisions of the same, the spread of the Model in the company context and staff training.

The "Special Parts", prepared for the various macro-families of crime contemplated in Legislative Decree 231/01 (hereinafter also "Decree") and considered to be of potential risk for the Company, supplement the Model, detailing areas at risk, sensitive activities and specific control protocols.

Following the Attachments:

- *Annex I "Code of Ethics" of Irplast S.p.A*

2 THE REGULATORY FRAMEWORK

2.1 The administrative liability regime provided against legal persons

The Legislative Decree n. 231/01 introduces and regulates in our legal system the administrative liability of "Entities"¹ arising from the commission of specific crimes, in the interest or for the benefit of the Bodies themselves. The administrative liability of the Entity is additional to the (criminal) liability of the natural person who physically committed the crime and they are both subject to assessment during the same procedure in front of the Court. The Entity's liability remains even if the natural offender has not been identified or is not punishable. The liability provided for by the Decree also includes crimes committed abroad, under the conditions that will be specified below, provided that the State in which the crime was committed does not proceed for them. The Entity can be called to respond only in relation to certain offenses (so-called predicate offenses) identified by the Decree, as well as by the laws that expressly refer to the discipline of the same.

The predicate offenses can be grouped into the following macro-families:

- A. Offenses committed in relations with the Public Administration (articles 24 and 25 of the Decree);

¹ The Entities to which the Decree applies are all the companies, associations with or without legal personality, economic public entities and private entities who are concessionaries of a public service. The Decree does not, on the other hand, apply to the State, to territorial public entities, to non-economic public entities and to entities that perform functions of constitutional importance (e.g. political parties and trade unions).

- B. Computer crimes and unlawful data processing (article 24-bis of the Decree);
- C. Organized crime offenses (article 24-ter of the Decree);
- D. Crimes relating to counterfeiting of coins, public credit cards, stamp duties and instruments or signs of recognition (article 25-bis of the Decree);
- E. Crimes against industry and commerce (article 25-bis.1 of the Decree);
- F. Corporate offenses (article 25-ter of the Decree);
- G. Offense of corruption between private individuals (art. 25-ter, letter s-bis of the Decree);
- H. Offenses for the purpose of terrorism or subversion of the democratic order (article 25-quater of the Decree);
- I. Offenses against physical safety, with particular reference to female sexual integrity (article 25-quater.1 of the Decree);
- J. Crimes against the individual personality (article 25-quinquies of the Decree);
- K. Violation and administrative offenses relating to market abuse (article 25-sexies of the Decree and, within the TUF, article 187-quinquies "Responsibility of the entity");
- L. Negligent homicide charge and serious or very serious injuries committed in violation of the accident prevention regulations and the protection of hygiene and health at work (article 25-septies of the Decree);
- M. Offenses of fencing, money laundering and use of money, goods or benefits of illegal origin, as well as self-laundering (article 25-octies of the Decree);
- N. Copyright infringement crimes (article 25-novies of the Decree);
- O. Offense of induction not to make statements or to make false statements to the judicial authority (article 25-decies of the Decree);
- P. Environmental crimes (article 25-undecies of the Decree);
- Q. Offense of employment of third-country nationals whose stay is irregular (art. 25-duodecies of the Decree);
- R. Transnational crimes (art.10, Law 146/2006);
- S. Offenses of racism and xenophobia (art. 25-terdecies of the Decree);
- T. Crimes of fraud in sports competitions, abusive gambling or betting (art. 25 quaterdecies of the Decree);
- U. Tax Offenses (art. 25 Quinquiesdecies of the Decree).

2.2 The criteria for attributing the Entity's liability

The administrative offense, dependent on the predicate offense, is attributed to the Entity on the basis of both objective and subjective imputation criteria.

From an objective point of view, the Entity is liable if the offense is committed:

- by a subject functionally linked to the Entity;
- in the interest or for the benefit of the Entity.

The subjects who can engage the responsibility of the Entity with their own conduct are:

- subjects that perform functions of representation, administration, management of the Entity or one of its Organizational Units with financial and functional autonomy, as well as those who exercise, even in fact, the management and control of the Entity (so-called subjects in " top position ");
- subjects subject to management or control by senior managers (so-called subordinate subjects).

In order for the Entity's liability to be configured, the fact of the offense must be committed in the interest or for the benefit of the same; the Entity is not liable if the crime is committed in the exclusive interest of the offender or third parties.

The offense is intended to be committed in the interest of the Entity if, on the basis of an ex ante evaluation, it is possible to believe that the offender acted with the purpose of making the Entity obtain any usefulness of any nature, independently from its actual achievement.

Instead, the offense is committed to the benefit of the Entity when, by assessing the effects of the agent's conduct ex post, it is possible to say that the Entity has benefited from the implementation of the offense. For culpable offenses, the offense is considered committed for the benefit of the Entity when the conduct was put in place with the prospect of achieving an economic, resource or time saving.

The subjective imputation criteria, however, pertain to the guilt profile of the Entity. His responsibility exists if the necessary standards of sound management and control relating to his organization and the conduct of his business have not been adopted or have not been respected. The Entity's fault stems from ascertaining an incorrect company policy or organizational deficits that do not prevent the commission of one of the predicate offenses.

2.3 The conditions of exclusion from administrative liability

The Decree excludes the Entity's liability in the event that, prior to the commission of the offense, the Entity has adopted and effectively implemented a "Model of organization, management and control" suitable for preventing the commission of offenses of the kind that was made.

The Model operates as an exemption both in the event that the predicate offense was committed by a white-collar director or by a subordinate person.

However, for crimes committed by senior managers, the Decree introduces a presumption of liability of the Entity, since it provides for the exclusion of its liability only if it proves that:

- before the commission of the offense, the Board of Directors adopted and effectively implemented a Model suitable for preventing crimes of the type occurred;
- the task of supervising the functioning and observance of the Model and of updating it has been entrusted to an institution of the Entity with autonomous initiative and control powers (Supervisory Body, hereinafter also "SB");
- the people committed the crime by fraudulently circumventing the Model;
- there was no omission or insufficient supervision by the SB.

For crimes committed by subordinate subjects, however, the Entity is liable only in the event that it is proven that "the commission of the offense was made possible by non-compliance with the management or supervision obligations" that typically weigh on top management. Even in this case, however, the adoption and effective implementation of the Model, with respect to the predicate offense in question, prior to the commission of the offense, excludes non-compliance with the management or supervision obligations and exempts the Entity from liability.

The adoption and effective implementation of the Model, therefore, although not constituting a legal obligation, represent the only tool available to the Entity to go free from the liability established by the Decree and demonstrate its non-involvement in the crime.

2.4 The organization, management and control model

The Decree does not analytically indicate the characteristics and contents of the Model, but confines itself to dictating some general principles and some essential elements of content.

Pursuant to the Decree, the Model must provide, in relation to the nature and size of the organization, as well as the type of activity carried out, suitable measures to guarantee the performance of the activity in compliance with the Law and to promptly detect and eliminate situations of risk of commission of specific crimes.

In particular, the Model must:

- identify the activities in which offenses can be committed (so-called sensitive activities);
- provide for specific protocols aimed at planning the formation and implementation of the Entity's decisions, in relation to the crimes to be prevented;
- identify ways of managing financial resources suitable for preventing the commission of crimes;
- provide information obligations towards the body appointed to supervise the functioning and observance of the Model;
- introduce a disciplinary system suitable for sanctioning failure to comply with the measures indicated in the Model.

With reference to effective implementation, the Decree also provides for the need for periodic verification and modification of the Model to be implemented promptly if:

- significant violations of the regulations are discovered;
- changes occur in the organization or activity of the organization;
- regulatory changes occur.

2.5 Crimes committed abroad

Based on the provisions of art. 4 of the Decree, the Entity may also be called to respond in Italy in relation to predicate offenses committed abroad, provided that the objective and subjective imputation criteria

referred to in paragraph 2.2 above are met.

The Decree, however, provides that the Entity can be prosecuted for crimes committed abroad only if the following additional conditions exist:

- the State of the place where the offense was committed does not already proceed against the Entity;
- the Entity has its headquarters in the territory of the Italian State;
- the conditions of admissibility foreseen by art. 7, 8, 9, 10 of the penal code are met.

2.6 Sanctions for the Entity

The sanctioning system outlined by the Decree is essentially binary since it foresees financial penalties and disqualifications: the former derive from the commission of the offense; the latter apply in cases of particular gravity.

They must also be considered pursuant to art. 9 of the Decree:

- the confiscation of the price or profit of the crime;
- the publication of the sentence.

These penalties, although applied by a criminal judge, are classified as administrative.

The pecuniary sanction is always applied in case of conviction of the Entity and is determined by the Judge through a system based on "quotas". The number of shares depends on the seriousness of the crime, on the degree of responsibility of the organization, on the activity carried out to eliminate the consequences of the event and mitigate the consequences or to prevent the commission of other offenses. In order to ensure the effectiveness of the sanction, in establishing the amount of the individual fee, the Judge takes into account the Entity's economic and financial conditions.

The disqualification sanctions are applied in addition to the pecuniary sanction only if expressly provided for the offense for which it proceeds² and provided that at least one of the following conditions is met:

- the Entity made a significant profit from the crime and the crime was committed by a top

² The legislator considered the disqualification sanctions applicable only to some types of offense of the following categories: offenses committed in relations with the Public Administration (articles 24 and 25 of the Decree); computer crimes and unlawful data processing (art. 24-bis of the Decree); organized crime offenses (art. 24-ter of the Decree); forgery of coins, public credit cards, revenue stamps and instruments or signs of recognition (art. 25-bis of the Decree); crimes against industry and commerce (art. 25-bis.1 of the Decree); corruption crime (art. 25 ter of the Decree); crimes with the purpose of terrorism or subversion of the democratic order (art. 25-quater of the Decree); female genital mutilation practices (art.25-quater.1 of the Decree); crimes against the individual personality (art. 25-quinquies of the Decree); manslaughter and serious or very serious injuries, committed in violation of the rules on the protection of health and safety at work (art. 25-septies of the Decree); receiving, laundering and using money, goods or benefits of illegal origin (art.25-octies of the Decree); copyright infringement crimes (art. 25-novies of the Decree); environmental crimes (art. 25-undecies of the Decree); employment of irregular citizens (art.25 duodecies of the Decree).

(3) Fraud in sports competitions (art.25 quaterdecies of the Decree), tax offenses (art.25 quinquiesdecies of the Decree).

person, or by a subordinate person, but only if the commission of the crime was facilitated by serious organizational deficiencies;

- in the event of repeated offenses.

The disqualification sanctions provided for by the Decree are:

- disqualification from carrying out the activity;
- suspension or revocation of authorizations, licenses or concessions functional to the commission of the offense;
- the ban on contracting with the Public Administration, except to obtain the performance of a public service;
- the exclusion from concessions, loans, contributions or subsidies and the possible revocation of those already granted;
- a ban on advertising goods or services. Disqualification sanctions are normally temporary, but in the most serious cases they can exceptionally be applied with definitive effects.

These sanctions can also be applied as a precautionary measure, or before sentencing, if there are serious indications of the Entity's liability and there are well-founded and specific elements that make it possible to believe that there is a danger that illegal acts of the same nature as the one for which they are committed proceeds. However, the disqualification sanctions do not apply if, before the opening declaration of the first instance hearing, the Entity has:

- compensated the damage and eliminated the harmful or dangerous consequences of the crime (or, at least, has effectively used it);
- making the profit of the crime available to the judicial authority;
- eliminated the organizational deficiencies that led to the crime, by adopting and making operational organizational models suitable for preventing the commission of new crimes of the kind that occurred.

The Decree also provides for two other sanctions: confiscation and publication of the sentence.

Confiscation is always ordered with the conviction and consists in the acquisition by the State of the price or profit of the crime, or of sums of money, goods or other utilities of a value equivalent to the price or profit of the crime.

Article 19 paragraph 2 states that "*Whether confiscation as per paragraph 1 is not possible, sums of money, assets or other benefits of equivalent value to the price or profit of the crime shall be confiscated*".

This is the confiscation by equivalent to which the guidelines established ascribes a restorative function, depriving the Entity of a quantum equivalent to the economic advantage achieved.

Despite the wording used by the legislator, it consists of a mandatory provision: the formula "can" does not express the intention of recognizing a faculty to the judge, the latter will have to verify the impossibility of providing for direct confiscation and correspondence of the value of the goods subject to ablation to the value of the profit achieved.

The publication of the sentence of condemnation in one or more newspapers indicated by the Judge in the sentence as well as by posting in the municipality where the Entity has its main office, can be ordered when a disqualification sanction is applied against the Entity. The sanction does not result from the law, but is subject to the discretion of the Judge, when the disqualification sanctions have been imposed.

2.7 The precautionary measures

The Decree also provides for the applicability of precautionary measures for the Entity.

In particular, the Judge can order precautionary measures of a disqualification type which consist in limiting the activity of the Entity and of a real type (preventive and conservative seizure), whose function is to place restrictions on the assets belonging to the entity

The precautionary disqualification measures have a double value: avoiding the dispersion of the entity's assets to guarantee civil obligations arising from a crime and limiting the operations of the Entity when the continuation of the same could aggravate or prolong the consequences of the crime.

It is possible to replace the disqualification precautionary measure with the appointment of a judicial commissioner for a period equal to the duration of the measure that would have been applied.

The actual precautionary measures are provided for in articles 53 and 54 of the Decree:

- Article. 53 of the Decree provides for the preventive seizure of things whose confiscation is allowed pursuant to art. 19 of the same Decree;
- Article. 54 of the Decree provides that at any stage and degree of the trial proceeding, the seizure of the movable and immovable property of the Entity or of the sums or things due to it is allowed, if there is a justified reason to believe that the guarantees are missing or are dispersed for the payment of the financial penalty, the costs of the proceedings and any other sum due to the State Treasury.

3 THE CORPORATE CONTEXT

3.1 Business activity

Irplast S.p.A. is a joint stock company that deals with the production and transformation of polypropylene films.

It specializes in packaging for the food, beverage, detergent and tobacco sectors.

Irplast is the first producer of simultaneously bi-oriented BOPP films and is one of the main European players specializing in the printing of "in-house" S-BOPP film labels.

Irplast also operates on the market with solutions for multi-packaging, "Shrink sleeves" and printed adhesive tapes.

The business is spread over three production sites, one in Empoli and two in Atessa; the production is divided into the production of BOPP and S-BOPP films, Label tech divisions (labels from reels) and PRINT TAPE (printed adhesive tapes).

3.2 Governance

Irplast's Corporate Governance is structured as follows:

- **the Board of Directors**, which is the body at the top of the corporate governance system and is vested with managerial powers for the ordinary and extraordinary administration of the Company; a Chief Executive Officer is appointed internally;
- **The Chairman of the Board of Directors** has powers of direction and control over the general management of the company; is the representation of the Company in front of banks, credit institutions and lenders;
- **the Chief Executive Officer**, responsible for implementing the general directives issued by the Board of Directors;
- **the Board of Statutory Auditors**, which carries out the task of supervising compliance with the principles of correct administration in the performance of corporate activities, the adequacy of the organizational structure, the internal control system and the administrative system of the company as well as the methods of implementation of the corporate governance; the activities relating to accounting control are carried out through a specifically appointed auditing company.

For the functioning of the aforementioned Bodies, reference should be made to the provisions of the Articles of Association and the reference documents of the Company relating to their appointment.

As regards the organization of personnel, Irplast S.p.A. has an organizational structure of human resources made up of employees hired with a subordinate employment contract and who work at its offices.

Irplast S.p.A. avails itself also of collaborators and external consultants with particular skills, on the basis of assignment through self-employment contracts or collaboration contracts.

In addition to what has been represented up to now in terms of corporate governance, it is recalled that:

- A single-person Supervisory Body established pursuant to the Decree (see Chapter 5 of the Model) which completes the framework of the Company's bodies and has the task of supervising the functioning and observance of the Model and proposing its update.

3.3 The organizational structure

The organizational structure of the Company is inspired by the principle of the separation of tasks, roles and responsibilities between the operational and control functions and is illustrated in the organizational chart, which can be consulted on the company's intranet.

This document is subject to constant and timely updating by the Human Resources Organizational Unit.

3.4 Local Units

Irplast S.p.A. has located a production center in Atesa consisting of two factories. The production of specialty films in BOPP and S-BOPP is concentrated in this unit.

3.5 Corporate procedures

As part of its organizational system, Irplast has defined a set of procedures aimed at regulating business processes.

The procedures, both printed on paper and computerized, as well as the Management Systems adopted by the Company and referred to in this Model, constitute the rules to be followed in the performance of company activities and in the implementation of controls in order to guarantee the correctness, effectiveness and efficiency of the various processes.

3.6 Irplast Group

Irplast S.p.A. has created over the years some subsidiaries and associated companies with the aim of ensuring optimal management of some industrial activities in various capacities connected to the main activity of Irplast.

The only company currently controlled by Irplast S.p.A. is Immobiliare Porta Volta S.r.l., a company currently subject to voluntary liquidation.

4. THE ORGANIZATION, MANAGEMENT AND CONTROL MODEL OF IRPLAST SPA

4.1 Introduction

The adoption of an organization, management and control model pursuant to Legislative Decree 231/2001 and its effective implementation, in addition to representing a reason for exemption from liability of the Company with reference to the commission of the categories of crime mentioned, presupposes good organization and propensity to observe the rules at its basis.

Corporate policy is very attentive to the image of the company and the expectations of stakeholders (workers, local community, institutions, clients). This initiative joins others, such as the specific certifications obtained: UNI 10667 - 1: 2017 (pre-consumer recycling), DPG Deutsche Pfandsystem GmbH, UNI EN ISO 9001 (for the quality management system) UNI EN ISO 14001: 2015 (for the environmental management system), AIB International and BRC "High Hygiene.

In this context, the adoption of a Model, together with the Code of Ethics, intended as a charter of values that the company boasts and addressed not only to the recipients of the model, but also to the contractual partners - so that in carrying out their work activities always can behave inspired by the ethics of responsibility, even regardless of the prevention of the crimes covered by the Decree - it constitutes an opportunity to strengthen the principle of sound and efficient company management as well as the image of correctness and transparency to which the company has always been oriented business activity.

4.2 Purpose of the Model

The purpose of the Model is the preparation of a structured and organic system of procedures and rules that must be respected in order to reduce the risk of committing the offenses contemplated in the Decree, with the aim of constituting the exemption for the administrative liability of the Company.

In particular, the model aims to:

- identify the activities in which crimes may be committed by verifying the operations at risk;
- provide for specific protocols aimed at planning the training and implementation of decisions
- of the Company in relation to the crimes to be prevented;
- identify methods for managing financial resources suitable for preventing the commission of such offenses;
- introduce a disciplinary system suitable for sanctioning non-compliance with the measures indicated in the Model;
- determine, in all those who work in the name and on behalf of the Company in the "areas of activity at risk" and / or in the context of "sensitive processes", the awareness of being able to incur, in the event of violation of the provisions contained therein, in an offense punishable not only by criminal sanctions against the natural person, but also by administrative sanctions against the Company;
- allow the Company, thanks to a monitoring action on "areas of activity at risk", to intervene promptly to prevent or counter the commission of the crimes themselves;
- structure, implement and maintain an SGSL (Occupational Safety Management System) such as to eliminate or minimize the risks associated with the activities to which its workers and other parties involved are exposed in an acceptable form;
- raise awareness and disseminate the rules of conduct and established procedures at all company levels;
- attribute to the Supervisory Body specific powers of control over the effective and correct functioning of the Model as well as its exempting effectiveness;
- verify the functioning of the Model with consequent periodic updating; - provide for information obligations towards the Supervisory Body.

4.3 Recipients of the Model

The recipients of the Model and, as such, are required to observe it:

- **Senior Managers:** - those who perform functions of representation, administration or management of the Company, or one of its organizational units, as well as those who exercise, even de facto, the management and control of the Company;
- **All employed workers subject to the direction and supervision of top management:**

They fall into the category:

- all subordinate workers, temporary workers, trainees, collaborators.

The subjects to whom the Model is addressed are required to promptly comply with all the provisions, also in fulfilment of the duties of loyalty, correctness and diligence that arise from the legal relationships established with the Company.

4.4. The fundamental elements of the Model

In line with the indications of the Decree and the Confindustria Guidelines, the main steps followed for the preparation of the Model were:

1st phase: collection and analysis of all essential documentation

First of all, was collected the whole official documentation available at the company related to:

- company statute;
- organization chart (March 2020 version);
- proxies and powers of attorney;
- operational regulations and formalized procedures;
- existing sanction system.

These documents were examined, in order to establish an information platform of the structure and operations of the company, as well as the distribution of powers and responsibilities.

2nd phase: identification of the activities at risk

A detailed analysis of each activity carried out in the company was then carried out, with the aim of assessing the existence or non-existence of offenses related to the cases indicated by Legislative Decree 231/01.

The areas exposed to the risk of crime pursuant to Legislative Decree 231/2001 were therefore identified through interviews conducted with the managers of the various company sectors and then re-analysed with them in order to integrate, modify or confirm what was originally detected.

3rd phase: identification and analysis of the current risk safeguards

For the areas exposed to the risk of crime, a review of the operational procedures and internal control activities that exist and are suitable for monitoring the identified risk was then carried out.

4th phase: gap analysis

The risk situation and related safeguards were compared with the needs and requirements imposed by Legislative Decree 231/2001 in order to identify the shortcomings of the existing system. Therefore, also through consultations with the subjects responsible for the management of the activities at risk that are not sufficiently supervised, steps were taken to identify the interventions that were most effectively suitable for effectively preventing the identified risk hypotheses, also taking into account the existence of operational rules in force or only respected in practice.

5th phase: definition of the protocols

For each operating unit in which a risk hypothesis has been identified as subsisting, the existence of a protocol to be adopted and / or operating instructions containing the most suitable discipline to govern the identified risk profile was therefore verified by integrating, where appropriate, with a set of detailed rules to be followed in each individual activity in order to ensure risk prevention.

The protocols are inspired by the rule of making the various phases of the decision-making process documented and verifiable, so that it is possible to trace the motivation that guided the decision.

4.5 Offenses relevant to the Company

In light of the analysis of the company context and the sensitive activities identified, the offenses included in macro-families A, B, C, D, E, F, G, L, M, N, O, P, Q, U -in paragraph 2.1- are considered relevant and therefore specifically examined in the Special Parts of the Model to which reference is made.

In relation to the analysis of the production processes and the activities carried out, it was considered, conversely, that the concrete risk of committing the following categories of crime - in relation to which, in any case, compliance with the Code of Ethics represents however a safeguard - did not occur for Irplast, these are therefore not dealt with in the Special Section:

- crimes with the purpose of terrorism or subversion of the democratic order;
- crimes against female sexual integrity;
- transnational crimes (macro-family R).

In relation to the crimes included in the macro-family S (racism and xenophobia) it is noted that following the entry into force of Legislative Decree 21/2018, the offense contemplated by art. 3 co. 3 -Bis L. 654/75 has been repealed and today reference is made to art. 604 bis of the criminal code.

It is also specified that Irplast S.p.A. to date it is not listed on the stock exchange, which is why the crimes referred to in category K have not been dealt with.

4.6 The adoption, amendments and additions of the Model

The exclusive competence for the adoption, modification and integration of the Model lies with the Board of Directors.

The SB (Supervisory Body), within the powers conferred on it in accordance with the second indent of Article 6 (1) and the first indent of Article 7 (4) of the Decree, has the power to formulate to the BoD proposals for updating and adapting the Model and has the duty to report, promptly and in writing, facts, circumstances or organizational deficiencies found in the supervisory activity that highlight the need or opportunity to amend the Model totally or partially.

In any case, the Board of Directors must promptly amend or integrate the Model, also upon proposal and in any case after consulting the SB:

- where sufficient evidence shows that the provisions of the Model have been circumvented

or infringed, demonstrating its ineffectiveness or inconsistency for the purpose of preventing offenses;

- significant changes in the internal structure of the Company and / or in the methods of conducting business activities;
- regulatory changes.

Changes, updates or additions to the Model must always be communicated to the SB.

The operating procedures adopted in implementation of the Model are updated by the competent corporate functions, if they prove to be ineffective for the purposes of a correct implementation of the provisions of the Model. The competent corporate functions also take care of any changes or additions to the aforementioned procedures that may be necessary to implement any revisions of this Model.

The SB is promptly informed of the updating and implementation of the new operating procedures.

All'interno della gerarchia aziendale l'Organismo di Vigilanza è posto in posizione apicale e in rapporto diretto con il Consiglio di Amministrazione al quale riferisce di eventuali violazioni del Modello.

Per poter svolgere efficacemente l'attività assegnata, l'Organismo possiede al suo interno competenze tecnico-professionali adeguate e capacità specifiche in tema di attività ispettiva.

5 THE SUPERVISORY BODY

5.1. Function

In compliance with the provisions of the second indent of Article 6 (1) of the Decree, the Company has established a specific corporate body (SB) with the task of continuously monitoring the effective functioning and observance of the Model, as well as updating it and proposing any change and / or addition that may become necessary to the Board of Directors, as reported in *paragraph 4.6* of the Model.

Within the corporate hierarchy, the Supervisory Body is placed in a top position and in direct relationship with the Board of Directors to which it reports any violations of the Model.

In order to effectively carry out the assigned activity, the Body possesses adequate technical-professional skills and specific capabilities in terms of inspection activities.

5.2. Regulations of the Supervisory Body

5.2.1 Composition, designation and forfeiture

The Supervisory Body is composed of one single member.

The only member is appointed by the Board of Directors which, in agreement with the Board of Statutory Auditors, establishes the annual remuneration.

The member of the Supervisory Body remains in office until the expiry of the Board of Directors that appointed him and in any case for no more than three years, after which he can be re-appointed.

Once the term of office has expired, the outgoing SB remains in office extending its duties until a new SB has been appointed.

5.2.2 Causes of ineligibility and forfeiture

Those who find themselves in one of the causes of ineligibility and forfeiture referred to in art. 2382 of the Italian Civil Code, such as relatives by marriage and blood-relatives up to the fourth degree of the Managing Director, cannot be appointed as a member of the SB and, if appointed, are immediately debarred.

Furthermore, in the event that a person not linked to the company by an employment relationship is appointed, any economic relationships established must not compromise his independence.

5.2.3 Replacement and revocation

The absence of the subjective requirements for the member of the Supervisory Body results in the immediate forfeiture of office.

In the event of forfeiture, expiry of the mandate, resignation, death or revocation of the member of the SB, the Board of Directors appoints the new member.

Causes of forfeiture are: interdiction, disqualification, a serious illness that makes the member unsuitable to carry out the supervisory functions.

The possible revocation of the member of the Supervisory Body can only take place for serious breaches relating to their duties, by resolution of the Board of Directors, in agreement with the Board of Statutory Auditors.

In the event of resignation or revocation due to "serious breaches", it is mandatory to promptly notify the Chief Executive Officer, so that, in relation to the specific circumstance, the Board of Directors may intervene for subsequent actions and in particular for the timely replacement of the member of the 'Supervisory Body ceased.

5.2.4 Remuneration

The annual remuneration of the single member of the SB is determined by the Board of Directors upon his/her appointment, and remains unchanged for the entire duration of the appointment.

5.2.5 Duties and powers of the Supervisory Body

The SB has, within the Company, autonomous powers of initiative and control such as to allow the effective performance of the tasks provided for in the Model.

The Body does not have management or decision-making powers relating to the performance of the Company's activities, organizational powers or powers to change the corporate structure,

nor sanctioning powers.

Specifically, the following tasks are assigned to the SB of the Company:

- verify the efficiency, effectiveness and suitability of the Model adopted with respect to the prevention of crimes pursuant to Legislative Decree 231/01;
- monitor the adequacy of the model, verifying the ability of the model to prevent crimes;
- formulate proposals to the BoD regarding the updating and adaptation of Model 231, in accordance with the provisions of the second indent of Article 6 (1) and first indent of Article 7 (4) of the Decree;
- promptly report to the BoD and the Board of Statutory Auditors facts, circumstances, organizational deficiencies and ascertained violations of the Model such as to deem it appropriate to update it and / or to adopt disciplinary proceedings;
- conduct internal investigations and carry out inspections to ascertain alleged violations of the provisions contained in the Model;
- propose to the holder of disciplinary power the adoption of the sanctions referred to in Chapter 6 below;
- draw up an annual report on the activities carried out for the Board of Directors.

In order to perform the above-mentioned tasks, the following powers are attributed to the member of the Body:

- access at any organizational unit, without prior notice, to request and acquire information, documentation and data deemed necessary for the performance of the tasks envisaged by the Model;
- request for clarification and information, if necessary, from employees, directors and members of the Board of Statutory Auditors and the Board of Directors of the Company;
- request, if necessary, for written reports and / or interview with subjects involved in the various phases of the processes subject to controls and / or inspections;
- access to all information concerning sensitive activities, as listed in the Special Parts of the Model;
- recruit of skilled external consultants, when it is necessary to solve particularly complex problems.

5.2.6 *Meetings of the Supervisory Body*

The Supervisory Body meets at least quarterly to verify the state of implementation of the model, to control, follow-up and subsequently adopt the consequent resolutions

5.2.7 *Liability*

The members of the Body must fulfil their duties with the rules of diligence to which the

mandatory is legally bound and are fully responsible for the veracity of the information transmitted.

5.3 Information to and from the Supervisory Body

5.3.1 Information flows to the Supervisory Body

The Supervisory Body is the recipient of the information flows described in the following points *a)* and *b)*. These flows can be communicated to the SB through the indifferent use of the following channels:

- e-mail, by sending an e-mail to the address dedicated to the Supervisory Body (ODV@irplast.com)

Specifically, the following are subject to reporting to the SB:

a) Requests for clarification regarding the application of the provisions of the Model

All employees and members of the Company's corporate bodies can request clarification from the Supervisory Body regarding the correct interpretation and application of the Model, the prevention protocols, the related implementation procedures and the Code of Ethics.

b) Other information flows

In addition to the aforementioned reports, the following types of information must be sent to the SB:

b.1) the information relating to specific sensitive activities, which the managers / employees of the Company are required to provide on a regular basis and in compliance with the deadlines specified therein, taking care to communicate: level of implementation of the model, compliance with supervisory principles and behaviour; any critical issues in the processes managed; changes in processes and procedures;

b.2) information relating to sensitive operations managed according to procedural procedures other than those described in the Model and / or in the company procedures of which the SB must be informed in order to activate the evidences deemed necessary. The managers and / or process managers who are managing the transactions in question, due to exceptional situations, to a specific peculiarity of the sensitive operation or to matters of exceptional urgency or particular confidentiality, are required to make such reports.

The fulfilment of the information obligations towards the Supervisory Body falls within the broader duty of diligence and loyalty obligation of the employee referred to in Articles 2104 and 2105 of the Italian Civil Code. The correct fulfilment of the information obligation by the latter cannot give rise to the application of disciplinary sanctions.

On the other hand, the violation of the information obligations towards the SB, constituting a violation of the Model, is subject to the provisions of Chapter 6 *The Sanctioning System*".

5.3.2 Information flows to the Board of Directors and the Board of Statutory Auditors

The Supervisory Body prepares annually a summary report with the activity carried out in the reference year and which is addressed to the Board of Directors.

This document contains the description of the activities planned by the SB for the following year, together with the related expenditure budget, to be submitted to the Board of Directors.

In addition, the SB reports without delay to the Board of Directors and the Board of Statutory Auditors on significant circumstances and facts of its office or any urgent criticalities of the Model that emerged in the context of the supervisory activity.

The SB's obligation to inform the Board of Directors is divided into three lines of reports which can be summarized as follows:

- a) Disclosure on an ongoing basis;
- b) Periodic reporting to the Board of Directors;
- c) Immediate information.

5.3.3 Specific report of illegal conducts pursuant to Legislative Decree 231/2001

pursuant to Legislative Decree 231/2001 Pursuant to art. 6, co. 2 bis, of Legislative Decree no. 231/01 (introduced by Law no. 179/2017 entitled "Provisions for the protection for whistle-blowers who report of allegation of frauds, crimes or irregularities of which they have become aware in the context of a public or private employment relationship" and known as the "Law on Whistleblowing "), the people referred to in the following letters a) and b), namely:

- a) persons who in the company or in one of its organizational units with financial and functional autonomy, have representative, administrative or management functions, as well as persons who exercise, even de facto, the management and control of the same,
- b) persons subject to the management or supervision of one of the subjects referred to in letter a),

who come into possession of information relating to unlawful conduct, commission or omission, relevant pursuant to Legislative Decree 231/01 or violations of the Model, are required to promptly report it through the following channels:

- e-mail, by sending an e-mail to the protected address accessible only to the person authorized to receive reports: ODV@irplast.com
- mail, with the wording "confidential", to the address:

Irplast SpA
For the attention of the SB
S.P. Val d'Elsa - Z.I Terrafino
50053 Empoli (FI)

If the reporting subject wants to rectify a previously sent report, he can do so at any time, using the same channel used to send the previous report.

The content of the reports must be detailed and based on precise and consistent factual elements. In fact, the whistle-blower is required to provide all the useful elements to allow the person authorized to receive the reports to proceed with the verification of the acceptability of the report.

Having assessed the acceptability of the report, the person authorized to receive the reports, as appropriate, may involve other corporate bodies and / or functions in the analysis of the facts described therein.

All the subjects involved in the management of the report, for any reason whatsoever, are required to guarantee maximum confidentiality on the subjects (reporting and reported) and on the facts reported. In the event of a breach of the confidentiality obligation, the sanctions provided for by the sanctioning and disciplinary system are applied to them, without prejudice to further forms of sanctions provided for by law.

5.3.4 Role of the Supervisory Body in the Whistleblowing system

Upon receipt of the report, the Supervisory Body carries out the following activities:

Analyses the documentation received from the whistle-blower and carries out a preliminary examination on the existence of the conditions necessary to start further investigations.

In particular, the SB assesses at an initial stage whether there are grounds for validity and reliability also in relation to the possibility of being able to reach concrete verifications about the reported facts.

Therefore, in the face of a report received, the SB:

- Preliminary analyses whether the reported fact is relevant for the purposes of Legislative Decree 231/01
- Where the report is complete and relevant, defines whether the involvement of other competent functions is necessary to continue with the performance of the checks
- Evaluates the further actions to be taken for the purpose of verifying the report such as, for example, initiating audits, requesting management insights, requesting further clarifications from the whistle-blower or requesting, if deemed necessary, the intervention of external authorities responsible for investigations and assessments

If the report is too general or unfounded, the Supervisory Body proceeds to file it.

5.3.5 Protection of the whistle-blower

Reports must be made in good faith and not anonymously.

The identity of the whistle-blower is protected both in the acquisition phase of the report and in the subsequent management phases. In particular, the Company guarantees that the identity of the whistle-blower is not disclosed without his explicit consent except in cases where:

- the report is made in bad faith, with the aim of damaging the reported person and liability for

- slander or defamation may be configured;
- anonymity is not enforceable by law (e.g. criminal investigations).

The violation of the confidentiality obligation by the parties involved in the management of the report is a source of disciplinary responsibility, without prejudice to any further form of liability required by law.

Subjects who have made reports in good faith will be protected, pursuant to the third indent of Article 6 (2) of Legislative Decree 231/01 and other regulations in force, against any act, direct or indirect, of retaliation or discrimination connected directly or indirectly to the report. Discriminatory measures mean the imposition of disciplinary sanctions, demotion, dismissals, transfers or subjecting the whistle-blower to other organizational measures that have direct or indirect negative effects on the working conditions following the submission of the report.

The adoption of discriminatory measures against the subjects who make the reports referred to in paragraph 2-bis can be reported to the National Labour Inspectorate, for the measures within its competence, as well as by the reporting party, also by the trade union organization indicated by the whistle-blower.

Retaliatory or discriminatory dismissal of the reporting subject is void. The change of duties pursuant to article 2103 of the civil code, as well as any other retaliatory or discriminatory measure adopted against the whistle-blower are also void. It is the responsibility of the employer, in the event of disputes related to the imposition of disciplinary sanctions or to demotion, dismissal, transfer, or subjecting the whistle-blower to other organizational measures having negative, direct or indirect effects, on the working conditions, subsequent to the presentation of the report, demonstrate that such measures are based on reasons unrelated to the report itself.

The Company reserves the right to adopt the appropriate actions and sanctioning procedures against anyone who abuses the reporting channels provided or carries out, or threatens to carry out, retaliatory acts against those who have submitted reports in accordance with the provisions described above, without prejudice to the right of the successors in title to legally protect themselves if the reporting party is found to have criminal or civil liability related to the falsity of what has been declared or reported.

6 THE PENALTY SYSTEM

6.1 The general principles

The sanctioning system described below is an autonomous system of measures aimed at overseeing compliance with and effective implementation of the Model: the aim is to strengthen the awareness in the company staff and in anyone who in the company personnel and in anyone who collaborates in any capacity with the Company that Irplast prosecutes any violation of the established rules.

The application of the sanctions prescribed by the Model does not replace or presuppose the imposition of any further sanctions of other nature (criminal, administrative, tax) that may arise from the same fact. However, if the violation committed also constitutes a hypothesis of crime subject to dispute by the

Judicial Authority and the Company is unable, with the means of assessment at its disposal, to arrive at a clear reconstruction of the facts, the latter may await the outcome of the judicial investigations to adopt a disciplinary measure.

6.2 The subjects

All workers, including temporary workers, managers, directors, members of the Board of Statutory Auditors, self-employed workers, any collaborator who has any contractual relationship with the Company, including trainees, are bound by the disciplinary system referred to in this Model.

The procedure for the imposition of sanctions takes into consideration:

- objective regulatory differences between employees, including managers who work and act in the name and on behalf of Irplast;
- legal framework and provisions applicable by law in relation to the type of employment relationship of the subject;
- powers and proxies conferred, which can be inferred from the Company Bylaws and / or from the notarial proxies.

6.3 The disciplinary procedure

The disciplinary procedure is initiated on the instigation of the SB which also carries out an advisory function throughout its entire course.

A dedicated information channel has been established to facilitate the flow of reports to the Supervisory Body about any violations of the Model (see paragraph 5.3.2 of the Model).

In particular, the SB, having acquired the news of a violation or an alleged violation of the Model, takes immediate action to carry out the necessary investigations, guaranteeing the confidentiality of the person against whom it proceeds.

In the event that the Supervisory Body, following the checks carried out, identifies a punishable behaviour, it must immediately inform, depending on the persons involved, the Head of the Human Resources Department, the Chief Executive Officer or the Board of Directors.

The powers regarding disciplinary proceedings and the imposition of sanctions are established by the Workers' Statute and company procedures.

Whoever imposes the sanction is obliged to inform the SB of the provision by means of a documented copy. The type and extent of the sanctions must be proportionate to the following aspects:

- the intentionality of the behaviour or the degree of negligence, imprudence or inexperience with regard also to the predictability of the event;

- the overall behaviour of the subject against whom proceedings are carried out with particular regard to the existence or otherwise of previous disciplinary measures of the same;
- the duties of the person against whom the proceedings are carried out;
- the possible participation of other subjects in the responsibility;
- the functional position of the persons involved in the facts constituting the breach;
- the consequences for the Company, or the extent of the damage or danger as a consequence of the infringement for the Company and / or for all stakeholders;
- the circumstances in which the infringement took place;
- the relevance of the obligations violated.

6.4 Sanctions against employees

The conduct of employees of Irplast S.p.A. in violation of the individual behavioural rules attributable to this Model are defined as disciplinary offenses. The disciplinary measures that may be imposed on employees comply with the provisions of the relevant civil code, in Article 7 of the law of 30 May 1970, no. 300 (Workers' Statute) and any applicable special regulations and coincide with those provided for by art. 52-54 of the current national collective labour agreement for the rubber, electrical cables and plastics industries. In increasing order of severity, the penalties are: to. Verbal warning or written warning; b. Fine not exceeding the amount of 3 hours of pay; c. Suspension from work and pay for up to 3 days; d. Suspension from work and from pay from 4 to 10 days; is. Dismissal with notice; f. Dismissal without notice. For the more serious disciplinary measures than the verbal warning, a written complaint must be made to the worker specifying that he, within 5 days of receiving the written complaint, can present his justifications in writing or request to discuss the complaint with the Head of function and in the presence of the Human Resources Manager, with the assistance of the RSU or by the trade union organizations to which it adheres or gives a mandate. Without prejudice to the adoption of the provision referred to in the next point, if the provision is not issued within 10 working days following the aforementioned fifth day of receipt of the complaint, these justifications will be deemed accepted. If the timing of the proceedings or the needs related to ascertaining the extent of the shortage are incompatible with the presence of the worker in the company, the Company may order the precautionary suspension of the worker for the strictly necessary period and in any case not exceeding 30 days. It is the responsibility of the Head of the Human Resources Department, subject to the approval of the Chief Executive Officer, to adopt disciplinary measures against employees. The Head of the Human Resources Department and the Supervisory Body verify the effective execution of the sanctions imposed

a. Verbal warning or written warning;

The worker who violates the internal procedures envisaged or referred to by the Model, which involves slight prejudices for the Company (for example: who fails to notify the Supervisory Body of the required information; fails to carry out checks) incurs verbal warning or written warning measures; ; does not promptly notify superiors of any anomalies found in the work process that involve slight prejudices for the company).

b. Fine not exceeding the amount of 3 hours of pay

The worker who:

- violates the internal procedures envisaged and referred to in the Model or adopts, in carrying out activities in the areas at risk, a behaviour that does not comply with the prescriptions of the Model itself, where such behaviour can be identified as "negligence or habitual failure to comply with laws or regulations or service obligations in the performance of work ", or, in general, for any negligence or non-compliance with laws or regulations or with the obligations of the service deliberately committed not otherwise sanctionable" (for example: does not observe the rules or does not apply the on safety and hygiene at work of which it has been brought to the attention);
- behave repeatedly in the failures sanctioned with written warning.

c. Suspension from work and from pay up to 3 days;

The worker who:

- adopts behaviour in carrying out activities in the areas at risk that does not comply with the provisions of this Model, in the event that "he deliberately fails to perform the work according to the provisions or instructions received or unjustifiably refuses to perform tasks assigned by superiors" or in " any way it commits serious transgression of what is indicated in the model ";
- or recidivism in the deficiencies sanctioned with the fine;
- or repeatedly recurring in the failures sanctioned with a written warning.

d. Suspension from work and from pay from 4 to 10 days

The worker incurs the provision of suspension in the case of recidivism in the failures sanctioned with the suspension from 1 to 3 days or of repeated recidivism in the failures sanctioned with the fine.

e. Dismissal

An employee who:

- fails to observe, in the risk areas, the personnel coordinated by him, the procedural or behavioural rules prescribed by the Model or the employee who, in addition to personally violating the above rules, operates in such a way as to make the controls ineffective indicated above, thus causing significant damage to the Company;
- or recurrence in the deficiencies punished with suspension from four to ten days.

f. Dismissal without notice

In addition to the exemplification contained in the National Collective Labor Agreement for employees of the rubber, electrical cables and plastics industries, it is specified that dismissal with immediate termination of the employment relationship without notice may be ordered to the worker who:

- adopts behaviour in carrying out activities in areas at risk that is clearly in violation of the provisions of this Model, such as to determine the concrete application by the Company of the measures provided for by Legislative Decree 231/2001, having to recognize this behavior as a "Wilful violation of laws or regulations or of official duties which may cause or have caused severe damage to the Company or to third parties";
- has engaged in conduct aimed at committing a crime envisaged by Legislative Decree 231/2001.

6.5 Sanctions against managers

The violation of the provisions imposed by the Model by the Company managers results in the breach of obligations deriving from the employment relationship, relevant pursuant to art. 2104 cod. civ. (Diligence of the employee).

It is up to the CEO to identify and apply the sanctions deemed most appropriate. He must communicate the penalties applied to the SB, the Board of Directors and the Board of Statutory Auditors.

If the violation of the Model is such that it is considered appropriate to dismiss the executive, the provision will be imposed by the BoD.

In compliance with article 6, paragraph 2, letter e) of Legislative Decree 231/2001, a disciplinary system with conservative sanctions proportional to the extent of the infringements was introduced, suitable for

sanctioning non-compliance with the measures indicated by the Model.

This system does not prejudice or substitute any provisions in force relating to the National Collective Employment Agreement for industrial executives.

In relation to the seriousness of the ascertained disciplinary offenses, the sanctions are:

- a. Verbal warning or written warning;*
- b. Fine not exceeding the amount of 3 hours of pay;*
- c. Suspension from work and from pay from 1 to 3 days;*
- d. Suspension from work and from pay from 4 to 10 days;*
- e. Dismissal.*

The Board of Directors and the SB verify the effective execution of the imposed sanction.

a. Written warning

The manager whose behaviour is recognized as follows:

- slight non-compliance with the provisions of the internal procedures provided for by the Model (for example, failing to notify the SB of the required information, etc.);
- tolerance or failure to report minor irregularities (e.g. failure to apply the non-conformity finding on the supplier in the event of delivery delays) committed by personnel subordinated to him or by other subjects (e.g. consultants, suppliers, etc.).

b. Fine not exceeding the amount of 3 hours of pay

The manager whose behaviour is recognized as follows incurs the above-mentioned sanction:

- deficiencies punishable by verbal reprimand but which, due to specific consequences or recidivism, are considered more serious (repeated violation of the internal procedures provided for by the Model or repeated adoption of behaviour that does not comply with the provisions of the Model itself);
- failure to report or tolerate irregularities committed by personnel subordinated to him or by others (e.g. consultants, suppliers, etc.).

c. Suspension from work and from pay from 1 to 3 days

The above-mentioned sanction will affect the executive who:

- adopts behaviour in carrying out activities in areas at risk that does not comply with the provisions of this Model, in the event that "he commits serious transgression or non-compliance with what is indicated in the model";
- or repeat offenses sanctioned with a fine;
- or repeatedly recurring in the failures sanctioned with a written warning.

d. Suspension from work and from pay from 4 to 10 days

The manager incurs the provision of suspension in case of recidivism in the failures sanctioned with the suspension from 1 to 3 days or of repeated recidivism in the failures sanctioned with the fine.

e. Dismissal

An order for dismissal will be issued for the executive whose behaviour is deemed to be a violation of the provisions of the Model such as to constitute one of the offenses sanctioned by Legislative Decree 231/2001 or the adoption, in carrying out activities in the risk areas, of a behaviour of gravity such as to expose the Company to an objective situation of danger or such as to determine negative repercussions for it (e.g. application of one of the sanctions provided for by the decree), thus meaning a significant breach of the obligations to which the manager is bound in carrying out his employment relationship.

6.6 Sanctions against Directors and Statutory Auditors

In case of violations committed by the directors, it will be up to the Board of Directors to take the sanctioning measures deemed to be the most appropriate.

In more serious cases, the General Assembly may also be involved.

In case of violations attributed to the Directors, the SB informs the Board of Statutory Auditors and all the members of the Board of Directors of the infringement notice.

The Board of Directors, after consultation with the Board of Statutory Auditors and the SB, takes the most appropriate sanctioning measures.

If, on the other hand, the violation is committed by one or more statutory auditors, the SB informs the entire Board of Statutory Auditors and the BoD, which will take the appropriate measures, including, for example, the convocation of the General Assembly in order to adopt the most suitable measures provided for by law.

The Board of Directors, the Board of Statutory Auditors and the SB verify the effective execution of the applied sanction.

6.7 Measures against collaborators, consultants and suppliers

Any behaviour carried out by self-employed workers, collaborators, consultants, suppliers or in any case by subjects having contractual relationships with the Company and which is in contrast with the provisions of the Model and liable to involve the risk of committing a crime sanctioned by the Decree, may determine, in accordance with the specific contractual clauses included in the contracts / engagement letters, the resolution of the contractual relationship pursuant to art. 1456 of the Italian Civil Code. This is without prejudice to any request for compensation if this behaviour results in concrete

damage to the Company, as in the case of the application, even as a precautionary measure, of the penalties provided for by the Decree against the Company.

Depending on the entity of the infringement, a suspension of the relationship for a duration of 3 months is envisaged, or, in the most serious cases, the exclusion of such persons from any working relationship with the Company.

In order to allow the taking of initiatives planned in the contractual clauses, the SB informs with a written report the Head of the Area / Office, who manages the contractual relationship of the infringement, and, for his information, the Managing Director. This report, if the contract has been approved by the Board of Directors, must also be sent to its attention and to that of the Board of Statutory Auditors.

The Head of the Area / Office who manages the contractual relationship, on the basis of any decisions made in the meantime by the Chief Executive Officer, as well as by the BoD and the Board of Statutory Auditors, sends the person concerned a written notice stating the observed conduct, the provisions of the Model subject to violation and an indication of the specific contractual clauses whose application is requested.

7 COMMUNICATION AND TRAINING

7.1 Communication

In order to be able to consider the requirement of the effective implementation of this Model integrated, it is in the interest of Irplast S.p.A. to ensure proper disclosure and knowledge of the rules of conduct contained therein towards the recipients referred to in paragraph 5.3.

The Company guarantees the disclosure of the "Organization, Management and Control Model" document by publishing it on the company website, where the "General Part" of the document is available, and through the company intranet, where besides the "General Part" also the "Special Parts" are filed.

Annex I "Irplast's Ethics Code" is published in full both on the company intranet and on the website.

The Chief Executive Officer informs the staff in writing of the approval of the Model as well as of the subsequent amendments and additions and its availability for consultation on the company intranet and at the registered office.

Contracts stipulated with collaborators include the inclusion of specific clauses communicating the adoption of the Model and the consequences deriving from non-compliance with it.

7.2 Training

The Company commits itself to implement training programs with the aim of encouraging the spread within the organizational structure of the behavioural principles, protocols and provisions of the Model. To this end, the SB defines a training plan which identifies the topics to be discussed, the teachers, the participants in the training initiatives, the methods of evaluating the effectiveness of the training activity carried out and other aspects of an organizational nature.

Staff training for the purpose of implementing the Model is mandatory.