



**ORGANISATION, MANAGEMENT AND CONTROL MODEL
ADOPTED PURSUANT TO ITALIAN LEGISLATIVE DECREE NO.
231/01**

GENERAL SECTION

**ADOPTED 14 JUNE 2004
UPDATED 24 MARCH 2021**

CONTENTS

1	ITALIAN LEGISLATIVE DECREE NO. 231/2001.....	3
1.1	THE CONTENTS OF ITALIAN LEGISLATIVE DECREE NO. 231/2001	3
1.2	THE CATEGORIES OF OFFENCES PROVIDED FOR BY ITALIAN LEGISLATIVE DECREE NO. 231/2001	6
1.3	THE CASE OF COMMITTING AN OFFENCE ON THE GROUNDS OF PARTICIPATION	17
2	EXEMPTIONS FROM LIABILITY	18
3	MODELS OF REFERENCE	19
4	FUNDAMENTAL TECHNIQUES OF “CORPORATE GOVERNANCE”	21
5	COREPLA’S ADOPTION OF THE MODEL.....	23
5.1	DESCRIPTION OF THE CONSORTIUM STRUCTURE AND THE AREAS OF ACTIVITY	23
5.2	THE SYSTEM OF POWERS OF ATTORNEY AND MANDATES	24
5.3	THE AIMS	25
5.4	CUSTOMISATION OF THE MODEL	26
5.5	THE ESTABLISHMENT AND ADOPTION OF THE MODEL	28
6	COREPLA’S GENERAL TOOLS TO PREVENT OFFENCES FROM BEING COMMITTED	32
6.1	THE RELATIONSHIP BETWEEN THE MODEL AND THE CODE OF ETHICS.....	34
7	THE SUPERVISORY BODY	35
7.1	COMPOSITION	35
7.2	THE SUPERVISORY BODY’S ESSENTIAL REQUIREMENTS	37
7.3	THE ORGANISATIONAL POSITIONING OF THE SUPERVISORY BODY	39
7.4	THE SUPERVISORY BODY’S FUNCTIONS	39
7.5	THE SUPERVISORY BODY’S POWERS	43
7.6	THE SUPERVISORY BODY’S BUDGET	44
8	WHISTLEBLOWING.....	44
9	THE SANCTIONS SYSTEM	47
9.1	THE AIM OF THE SANCTIONS SYSTEM.....	47
9.2	MEASURES AGAINST EMPLOYEES.....	47
9.3	MEASURES AGAINST EXECUTIVES	50
9.4	MEASURES AGAINST DIRECTORS	50
9.5	MEASURES AGAINST CONTRACTUAL COUNTERPARTIES.....	51
10	IMPLEMENTING THE MODEL.....	51
10.1	TRAINING PERSONNEL	51
10.2	DISSEMINATING THE MODEL	52

The recipients of the general section

The recipients (hereinafter, the “Recipients”) of the General Section of the Organisation, Management and Control Model, adopted pursuant to Italian Legislative Decree no. 231/01 by the Consortium, who are listed below, undertake to comply with the contents of the Model:

- Employees, contractors, the management team, and members of the administrative body;
- consultants, representatives, agents whose actions might be, in any way whatsoever, attributable to the Consortium.

Specifically, the Recipients of this General Section are the managers and the personnel of those functions which are directly involved in carrying out sensitive activities and in implementing the control protocols indicated below.

By virtue of their specific acceptance, or by virtue of specific contractual clauses, the following external parties may be classified as recipients and may be required to comply with specific obligations given in the General Section (hereinafter, the “External Parties”): third parties with which COREPLA maintains professional relationships, for those parts that directly concern their activities to the extent that they operate on behalf and in the interests of the Company in the context of the areas of activity indicated as sensitive in the Organisation, Management and Control Model.

1 ITALIAN LEGISLATIVE DECREE NO. 231/2001

1.1 THE CONTENTS OF ITALIAN LEGISLATIVE DECREE NO. 231/2001

Italian Legislative Decree no. 231 of 8 June 2001, regarding “Governing the administrative liability of legal persons, companies, and associations even without a legal status” (hereinafter, “Italian Legislative Decree no. 231/2001” or the “Decree”), introduced, for the first time in Italy, criminal liability for entities for certain offences committed in their interests or to their benefit by parties associated with them.

Italian Legislative Decree no. 231/2001 applies to *entities with a legal status and companies and associations even without a legal status*, with the exclusion of the State, territorial public entities, non-economic public entities, and entities that carry out functions of constitutional significance.

In essence, Recipients of the Decree can be considered to be: corporations and cooperatives, foundations, associations, private entities and economic public entities,

private entities who perform a public service, entities without a legal status, partnerships, consortia, and committees.

The traceability of the offence to the entity presupposes that the offence has been committed by someone in a senior position or by a party subject to the management or the supervision of someone in a senior position (articles 6 and 7 of Italian Legislative Decree no. 231/2001).

With regard to individuals who hold a *senior* position, this expression is to be understood in its broadest sense, with reference not only to Directors but also to every person vested with powers of representation and management within the entity as a whole or even within one of its organisational units, provided that the powers vested come with financial and functional autonomy; this includes, therefore, in the case of delegated functions, those delegated parties too, provided that they are expressly endowed with the necessary decision-making powers. A senior position can also be held by a “de facto person” who exercises the aforementioned functions in the absence of any formal investiture of powers.

As for “subordinate” parties, or individuals *under another party’s management*, it should be noted that a subordinate employment relationship is not necessary and that, in identifying such parties, notice needs to be made of the so-called “functional theory”, centred not on any formal qualification or position but on the role actually performed.

This new liability, introduced by Italian Legislative Decree no. 231/2001, aims, specifically, to involve the assets of the entity - which has benefited from an offence being committed - in the punishment of certain criminal offences. And, indeed, in every case in which an entity is deemed to be liable, pursuant to Italian Legislative Decree no. 231/2001, for a predicate crime being committed, a pecuniary sanction is always applied. For the most serious cases, prohibitory measures are provided for which include the suspension or revocation of licences or concessions, the prohibition on contracting with a Public Administration, the prohibition on running a business or performing an activity, the exclusion from or the revocation of financing or contributions, the prohibition on advertising goods and services, which limit the entity’s freedom to carry out commercial and business activities.

Administrative liability for the offence in question does not result from a criminal offence actually being realised. The solution adopted in the Italian legal system ties, in fact, the liability of the collective body to committing one of the offences covered in the “closed” catalogue of criminal offences: this means that only the commission of one of these offences can give rise to the liability mentioned above.

It follows that the “entity is not liable” only “if the persons indicated in paragraph I have acted in their own exclusive interests or those of a third party” (article 5, paragraph II).

The sanctions system provides for (articles 9 *et seq.*):

- pecuniary sanctions, quantified by “points” and commensurate with the seriousness of the deed, the entity’s degree of liability, and the activity carried out

to eliminate or mitigate the consequences of the deed and to prevent further offences from being committed. Sanctions are reduced if the party committed the offence in his/her prevailing interest or that of a third party and if the entity has not seen any benefit from the offence or has seen a minimal benefit from it; if the pecuniary damage brought about is particularly tenuous; if the entity has provided full compensation for the damage or has eliminated the harmful or dangerous consequences of the offence or has effectively attempted to do so; if an organisational model, capable of preventing the offences of the type that occurred, has been adopted;

- prohibitory sanctions, applicable in the cases in which offences are repeated, or in the cases in which the entity achieves a significant profit and serious organisational shortcomings are discovered which determined and facilitated the offence being committed. Prohibitory sanctions may consist of, depending on the seriousness of the deed, the entity's degree of liability, and the activity carried out to eliminate or mitigate the consequences of the deed and to prevent further offences from being committed: a) the prohibition on running a business or performing an activity; b) the suspension or revocation of permits, licences or concessions which are functional to the offence being committed; c) the prohibition on contracting with the Public Administration; d) the exclusion from concessions, financing, contributions and subsidies and the possible revocation of those already granted; e) the prohibition on advertising goods or services. Sanctions do not apply if the party committed the offence in his/her prevailing interest or that of a third party and if the entity has not seen any benefit from the offence or has seen a minimal benefit from it; or if the pecuniary damage brought about is particularly tenuous. Prohibitory sanctions may be applied as precautionary measures when there are serious indications of the entity's liability and there are well-founded and specific reasons to believe that there is a real danger that a similar offence or offences may be committed;
- confiscation of the price or the profit that the entity has derived from the offence, even in an equivalent form;
- the publication of the ruling.

The collective entity's liability does not arise from the mere realisation or attempt to commit one of the predicate crimes¹; the Decree also requires the existence of an objective requirement, namely the realisation of the offence in the interests and/or to the benefit of the entity. It follows that the entity cannot be held liable if the interest or the benefit sought is directly and exclusively attributable to the perpetrator of the deed or offence or to that of a third party.

The entity's administrative liability for an offence is added to the criminal liability of the natural person who materially committed the same offence.

¹ It should be noted that the entity's administrative liability for an offence remains (except for a reduction in the sanctions) even in the case in which just the attempt to commit an offence has been discovered, without it being wholly carried out.

In fact, this liability also exists when:

- the perpetrator of the offence has not been identified or liability has not been attributed;
- the offence is extinguished for a reason other than an amnesty.

In the event of an attempt to commit one of the above offences, the entity's liability, in any case, remains, except for a reduction in the sanctions.

This liability is excluded when the entity has voluntarily prevented the deed from being committed or the event from being realised.

1.2 THE CATEGORIES OF OFFENCES PROVIDED FOR BY ITALIAN LEGISLATIVE DECREE NO. 231/2001

Administrative liability for an offence does not result from a criminal offence actually being realised. The solution adopted in the Italian legal system ties, in fact, the liability of the collective body to committing one of the offences covered in the "closed" catalogue of criminal offences: this means that only the commission of one of these offences can give rise to liability.

Specifically, currently included in the scope of the application of Italian Legislative Decree no. 231/2001 are the following families of offences and the cases indicated below:

A) Undue receipt of disbursements, fraud to the detriment of the State or another public body or to obtain public funds and computer fraud to the detriment of the State or another public body (article 24 of Italian Legislative Decree no. 231/2001, as modified by Italian Legislative Decree no. 75 of 14 July 2020) and Extortion, undue inducement to give or promise benefits and corruption (article 25 of Italian Legislative Decree no. 231/2001, subsequently modified by article 1, paragraph 77, letter a) of Italian Law no. 190 of 6 November 2012, by Italian Law no. 3 of 9 January 2019, and, finally, by Italian Legislative Decree no. 75 of 14 July 2020)

- Embezzlement to the detriment of the State (article 316-bis of the Italian Penal Code);
- Undue receipt of disbursements made by the State (article 316-ter of the Italian Penal Code);
- Aggravated fraud to the detriment of the State or another public body or the European Union (article 640, paragraph 2, no. 1 of the Italian Penal Code);
- Aggravated fraud to obtain public funds (article 640-bis of the Italian Penal Code);
- Computer fraud to the detriment of the State or another public body (article 640-ter of the Italian Penal Code);

- Fraud in public supplies (article 356 of the Italian Penal Code)²;
- Fraud to the detriment of the European Agricultural Fund (article 2 of Italian Law no. 898 of 23/12/1986)³;
- Extortion (article 317 of the Italian Penal Code);
- Corruption in exercising a function (article 318 of the Italian Penal Code);
- Corruption by an act contrary to official duties (article 319 of the Italian Penal Code);
- Aggravating circumstances (article 319-bis of the Italian Penal Code);
- Corruption in judicial acts (article 319-ter of the Italian Penal Code);
- Undue inducement to give or promise benefits (article 319-quater of the Italian Penal Code);
- Corruption of a person charged with performing a public service (article 320 of the Italian Penal Code);
- Penalties for the corrupting party (article 321 of the Italian Penal Code);
- Incitement to corruption (article 322 of the Italian Penal Code);
- Misappropriation, extortion, undue inducement to give or promise benefits, corruption and incitement to corruption of members of the International Criminal Court or members of European Union bodies or officials at the European Union or a foreign State (article 322-bis of the Italian Penal Code);
- Trafficking in unlawful influence (article 346-bis of the Italian Penal Code)⁴;
- Misappropriation (article 314, paragraph I of the Italian Penal Code)⁵;
- Misappropriation through profiting from another's error (article 316 of the Italian Penal Code)⁶;
- Abuse of office (article 323 of the Italian Penal Code)⁷.

B) Computer crime and unlawful data processing (article 24-bis of Italian Legislative Decree no. 231/2001, added by article 7 of Italian Law no. 48 of 18 March 2008, as subsequently modified by Italian Legislative Decree no. 105 of 21 September 2019, and by Italian Law no. 133 of 18 November 2019)

- IT documents (article 491-bis of the Italian Penal Code in relation to articles 476-490, 492 and 493 of the Italian Penal Code);
- Abusive access to an IT or telematic system (article 615-ter of the Italian Penal Code);
- Unlawful possession and disclosure of access codes to IT or telematic systems (article 615-quater of the Italian Penal Code);

² Article introduced by Italian Legislative Decree no. 75/2020.

³ Article introduced by Italian Legislative Decree no. 75/2020.

⁴ Article added by Italian Law no. 3 of 9 January 2019, "*Measures to combat crimes against the Public Administration, as well as with regard to the limitation period for offences and with regard to transparency of political parties and movements.*"

⁵ Article added by Italian Legislative Decree no. 75/2020.

⁶ Article added by Italian Legislative Decree no. 75/2020.

⁷ Article added by Italian Legislative Decree no. 75/2020.

- Dissemination of IT equipment or devices or IT programs aimed at damaging or interrupting an IT or telematic system (article 615-quinquies of the Italian Penal Code);
- Interception, obstruction, or interruption of IT or telematic communications (article 617-quarter of the Italian Penal Code);
- Installation of equipment designed to intercept, obstruct, or interrupt IT or telematic communications (article 617-quinquies of the Italian Penal Code);
- Damage to information, data or IT programs (article 635-bis of the Italian Penal Code);
- Damage to information, data or IT programs used by the State or another public body or, in any case, of public utility (article 635-ter of the Italian Penal Code);
- Damage to IT or telematic systems (article 635-quater of the Italian Penal Code);
- Damage to IT or telematic systems of public utility (article 635-quinquies of the Italian Penal Code);
- Computer fraud by the party who provides electronic signature certification services (article 640-quinquies of the Italian Penal Code);
- Breach of the regulations regarding the scope of national cybersecurity (article 1, paragraph 11, of Italian Law no. 105 of 21 September 2019).

C) Organised crime (article 24-ter of Italian Legislative Decree no. 231/2001, added by article 2 paragraph 29 of Italian Law no. 94 of 15 July 2009)

- Criminal association (article 416 of the Italian Penal Code);
- Mafia-type associations, including foreign ones (article 416-bis of the Italian Penal Code);
- Political-Mafia electoral exchange (article 416-ter of the Italian Penal Code);
- Kidnapping for the purposes of robbery or extortion (article 630 of the Italian Penal Code);
- Association aimed at the unlawful trafficking of narcotic or psychotropic substances (article 74 of Italian Presidential Decree no. 309/1990);
- Association aimed at the unlawful manufacture, introduction into the State, sale, transfer, possession and carrying in a public place or a place open to the public, of weapons of war, or type of war, or parts thereof, of explosives, hidden weapons as well as more common firearms, with the exception of certain categories (article 407, paragraph 2, letter a), number 5), of the Italian Penal Procedure Code, which refers to the cases given under article 2 of Italian Law no. 110 of 18 April 1975).

D) Counterfeiting money, legal tender, duty stamps, and instruments or signs of recognition (article 25-bis of Italian Legislative Decree no. 231/2001, added by Italian Decree Law no. 350 of 25 September 2001, article 6, converted with modifications by Italian Law no. 409 of 23 November 2001 and subsequently modified by Italian Law no. 99 of 23 July 2009, and by Italian Legislative Decree no. 125 of 21 June 2016)

- Counterfeiting money, using or introducing into the State counterfeit money with the help of accomplices (article 453 of the Italian Penal Code);
- Alteration of money (article 454 of the Italian Penal Code);
- The non-complicit spending in and introducing into the State of counterfeit money (article 455 of the Italian Penal Code);
- Spending counterfeit money received in good faith (article 457 of the Italian Penal Code);
- Counterfeiting duty stamps, introducing into the State, acquiring, possessing or circulating counterfeit duty stamps (article 459 of the Italian Penal Code);
- Counterfeiting watermarked paper used to manufacture public credit papers or duty stamps (article 460 of the Italian Penal Code);
- Fabrication or possession of watermarks or instruments intended to counterfeit money, duty stamps or watermarked paper (article 461 of the Italian Penal Code);
- Use of counterfeit or altered duty stamps (article 464 of the Italian Penal Code);
- Counterfeiting, alteration or use of distinctive marks or signs or patents, patterns or designs (article 473 of the Italian Penal Code);
- Introduction into the State of, and the trade in, products with false marks (article 474 of the Italian Penal Code).

E) Offences against industry and trade (article 25-bis.1 of Italian Legislative Decree no. 231/2001, added by article 15 paragraph 7 letter b) of Italian Law no. 99 of 23 July 2009)

- Disturbing the freedom of industry or trade (article 513 of the Italian Penal Code);
- Unlawful competition with threats or violence (article 513-bis of the Italian Penal Code);
- Fraud against national industries (article 514 of the Italian Penal Code);
- Fraud in exercising trade (article 515 of the Italian Penal Code);
- Sales of non-genuine food items sold as genuine (article 516 of the Italian Penal Code);
- Sales of industrial products with untrue signs or statements (article 517 of the Italian Penal Code);
- Manufacture and marketing of goods made by usurping industrial property rights (article 517-ter of the Italian Penal Code);
- Counterfeiting geographic indications or designations of origin on agri-food products (article 517-quater of the Italian Penal Code).

F) Corporate crimes (article 25-ter of Italian Legislative Decree no. 231/2001, added by article 3, paragraph 2 of Italian Legislative Decree no. 61/2002, subsequently modified by articles 31, paragraph 2 and 39 paragraph 5 of Italian Law no. 262 of 28 December 2005 and by article 1, paragraph 77, letter b) of Italian Law no. 190 of 6 November 2012, and by Italian Law no. 38 of 15 March 2017)

- False corporate communications (article 2621 of the Italian Civil Code);
- Minor offences (article 2621-bis of the Italian Civil Code);

- False corporate communications by listed companies (article 2622 of the Italian Civil Code);
- False prospectus information (article 2623 of the Italian Civil Code) repealed by article 34 paragraph 2 of Italian Law no. 262/2005;
- False information in reports or in communications by auditing firms (article 2624 of the Italian Civil Code) repealed by article 37 paragraph 34 of Italian Legislative Decree no. 39/2010;
- Obstruction of checks (article 2625 of the Italian Civil Code);
- Undue return of contributions (article 2626 of the Italian Civil Code);
- Unlawful distribution of profits or reserves (article 2627 of the Italian Civil Code);
- Unlawful transactions involving Company shares or shareholdings, or those of the parent company (article 2628 of the Italian Civil Code);
- Transactions prejudicial to creditors (article 2629 of the Italian Civil Code);
- Failure to communicate a conflict of interests (article 2629-bis of the Italian Civil Code);
- Fictitious capital arrangement (article 2632 of the Italian Civil Code);
- Undue distribution of corporate assets by liquidators (article 2633 of the Italian Civil Code);
- Corruption between individuals (article 2635 of the Italian Civil Code);
- Instigation to corruption between individuals (article 2635-bis of the Italian Civil Code);
- Unlawful influence on the shareholders' meeting (article 2636 of the Italian Civil Code);
- Market manipulation (article 2637 of the Italian Civil Code);
- Creating an obstacle to the public supervisory authorities exercising their functions (article 2638 of the Italian Civil Code).

**G) Offences for terrorism purposes or to subvert the democratic process (article 25-
 quater of Italian Legislative Decree no. 231/2001, added by article 3 of Italian
 Law no. 7 of 14 January 2003)**

- Subversive associations (article 270 of the Italian Penal Code);
- Associations with the aim of terrorism, including international terrorism, or of subverting the democratic process (article 270-bis of the Italian Penal Code);
- Assisting associates of such associations (article 270-ter of the Italian Penal Code);
- Enrolment for terrorism purposes, including international terrorism (article 270-quater of the Italian Penal Code);
- Organisation of transfers for terrorism purposes (article 270-quater.1 of the Italian Penal Code);
- Training in activities for terrorism purposes, including international (article 270-quinquies of the Italian Penal Code);
- Financing of conduct for terrorism purposes (article 270-quinquies.1 of the Italian Penal Code);

- Theft of goods or money subject to seizure (article 270-quinquies.2 of the Italian Penal Code);
- Conduct for terrorism purposes (article 270-sexies of the Italian Penal Code);
- Attack for terrorist or subversion purposes (article 280 of the Italian Penal Code);
- Act of terrorism with deadly or explosive devices (article 280-bis of the Italian Penal Code);
- Act of nuclear terrorism (article 280-ter of the Italian Penal Code);
- Kidnapping for the purposes of terrorism or subversion (article 289-bis of the Italian Penal Code);
- Kidnapping for the purposes of coercion (article 289-ter of the Italian Penal Code)⁸;
- Incitement to commit one of the offences listed under the first and second chapters [Title I, Book II of the Italian Penal Code] (article 302 of the Italian Penal Code);
- Political conspiracy by agreement (article 304 of the Italian Penal Code);
- Political conspiracy by association (article 305 of the Italian Penal Code);
- Armed gang: formation and participation (article 306 of the Italian Penal Code);
- Assistance to participants in a conspiracy or an armed gang (article 307 of the Italian Penal Code);
- Seizing, hijacking and destruction of an aircraft (article 1 of Italian Law no. 342/1976);
- Damaging ground installations (article 2 of Italian Law no. 342/1976);
- Sanctions (article 3 of Italian Law no. 422/1989);
- Active retraction (article 5 of Italian Legislative Decree no. 625/1979);
- Urgent measures to safeguard the democratic process and public safety (article 1 of Italian Decree Law no. 625/1979, converted with modifications into Italian Law no. 15 of 6 February 1980);
- Article 2 of the International Convention for the Suppression of the Financing of Terrorism, signed in New York on 9 December 1999.

H) Female genital mutilation (article 25-quater.1 of Italian Legislative Decree no. 231/2001, added by article 8 of Italian Law no. 7 of 9 January 2006)

- Female genital mutilation (article 583-bis of the Italian Penal Code).

I) Offences against the individual personality (article 25-quinquies of Italian Legislative Decree no. 231/2001, added by article 5 of Italian Law no. 228 of 11 August 2003, and subsequently modified by article 10, paragraph 1, letters a) and b) of Italian Law no. 38 of 6 February 2006, Italian Legislative Decree no. 39 of 4 March 2014, and, finally, by Italian Law no. 199 of 29 October 2016)

- Reducing to or maintaining in slavery or servitude (article 600 of the Italian Penal Code);

⁸ Article introduced by Italian Legislative Decree no. 21/2018.

- Child prostitution (article 600-bis of the Italian Penal Code);
 - Child pornography (article 600-ter of the Italian Penal Code);
 - Possession of pornographic material (article 600-quater of the Italian Penal Code);
 - Virtual pornography (article 600-quater.1 of the Italian Penal Code);
 - Tourist initiatives aimed at the exploitation of child prostitution (article 600-quinquies of the Italian Penal Code);
 - People trafficking (article 601 of the Italian Penal Code);
 - Purchase and sale of slaves (article 602 of the Italian Penal Code);
 - Unlawful intermediation and exploitation of labour (article 603-bis of the Italian Penal Code);
 - Solicitation of minors (article 609-undecies of the Italian Penal Code).
- L) Offences of market abuse (article 25-sexies of Italian Legislative Decree no. 231/2001, added by article 9 of Italian Law no. 62 of 18 April 2005)**
- Abuse of privileged information (article 184 of the Consolidated Law on Finance Italian Legislative Decree no. 58 of 24.02.1998);
 - Market manipulation (article 185 of the Consolidated Law on Finance Italian Legislative Decree no. 58 of 24.02.1998);
 - Abuse of privileged information - unlawful administration (article 187-bis of the Consolidated Law on Finance Italian Legislative Decree no. 58 of 24.02.1998);
 - Market manipulation - unlawful administration (article 187-ter of the Consolidated Law on Finance Italian Legislative Decree no. 58 of 24.02.1998);
 - Corporate liability (article 187-quinquies of the Consolidated Law on Finance).
- M) Offences of manslaughter or serious or grievous bodily harm in breach of the rules on safeguarding occupational health and safety (article 25-septies of Italian Legislative Decree no. 231/2001, article added by Italian Law no. 123/2007; modified by Italian Law no. 3/2018)**
- Manslaughter (article 589 of the Italian Penal Code);
 - Serious or grievous bodily harm (article 590 of the Italian Penal Code).
- N) Offences of receiving, laundering and using money, goods or assets of unlawful origin, as well as self-laundering (article 25-octies of Italian Legislative Decree no. 231/2001, added by article 63, paragraph 3 of Italian Legislative Decree no. 231/2007 and modified by Italian Law no. 186 of 15 December 2014)**
- Receiving stolen goods (article 648 of the Italian Penal Code);
 - Money laundering (article 648-bis of the Italian Penal Code);
 - Use of money, goods, or benefits of unlawful origin (article 648-ter of the Italian Penal Code);
 - Self-laundering (article 648-ter.1 of the Italian Penal Code).

- O) Offences regarding breach of copyright (article 25-novies of Italian Legislative Decree no. 231/2001, added by article 15, paragraph 7, letter c) of Italian Law no. 99 of 23 July 2009 and subsequently modified by Italian Law no. 166 of 3 August 2009, and, finally, by Italian Legislative Decree no. 121 of 7 July 2011)**
- Protection of copyright and other rights connected to its exercise (articles 171, 171-bis, 171-ter, 171-septies, 171-octies and 174-quinquies of Italian Law no. 633 of 22 April 1941).
- P) Inducement to refrain from making statements or to make false statements to the judicial authorities (article 25-decies of Italian Legislative Decree no. 231/2001, added by article 4 of Italian Law no. 116 of 3 August 2009)**
- Inducement to refrain from making statements or to make false statements to the judicial authorities (article 377-bis of the Italian Penal Code).
- Q) Environmental offences (article 25-undecies of Italian Legislative Decree no. 231/2001, added by Italian Legislative Decree no. 121 of 7 July 2011, modified by Italian Law no. 68 of 22 May 2015, modified by Italian Legislative Decree no. 21 of 1 March 2018)**
- Environmental pollution (article 452-bis of the Italian Penal Code);
 - Environmental disaster (article 452-quater of the Italian Penal Code);
 - Negligent offences against the environment (article 452-quinquies of the Italian Penal Code);
 - Trafficking and abandonment of highly radioactive material (article 452-sexies of the Italian Penal Code);
 - Aggravating circumstances (article 452-octies of the Italian Penal Code);
 - Organised activities for trafficking waste unlawfully (article 452-quaterdecies of the Italian Penal Code);
 - Killing, destruction, capture, collection, possession of species of protected wild animals or plants (article 727-bis of the Italian Penal Code);
 - Destruction of or deterioration to habitat within a protected site (article 733-bis of the Italian Penal Code);
 - Trade in species listed in annex A of article 1 of Italian Law no. 150 of 7 February 1992;
 - Trade in species listed in annex B and annex C of article 2 of Italian Law no. 150 of 7 February 1992;
 - article 3-bis of Italian Law no. 150 of 7 February 1992;
 - Prohibition on the possession of species that constitute a danger to public health and safety (article 6 of Italian Law no. 150 of 7 February 1992);
 - Environmental regulations (article 137 of Italian Legislative Decree no. 152 of 3 April 2006);
 - Unauthorised waste management activities (article 256 of Italian Legislative Decree no. 152 of 3 April 2006);
 - Site remediation (article 257 of Italian Legislative Decree no. 152 of 3 April 2006);
 - Breach of the obligations of notification, keeping mandatory registers and forms (article 258 of Italian Legislative Decree no. 152 of 3 April 2006);

- Unlawful trafficking of waste (article 259 of Italian Legislative Decree no. 152 of 3 April 2006);
- Organised activities for the unlawful trafficking of waste (article 260 of Italian Legislative Decree no. 152 of 3 April 2006)⁹;
- IT system to control the traceability of waste (article 260-bis of Italian Legislative Decree no. 152 of 3 April 2006);
- Sanctions (article 279 of Italian Legislative Decree no. 152 of 3 April 2006);
- Measures to safeguard the stratospheric ozone and the environment - Termination and reduction of the use of harmful substances (article 3 of Italian Law no. 549 of 28 December 1993);
- Malicious pollution caused by ships (article 8 of Italian Legislative Decree no. 202 of 6 November 2007, Implementation of Directive 2005/35/EC regarding pollution caused by ships and the consequent sanctions);
- Negligent pollution caused by ships (article 9 of Italian Legislative Decree no. 202 of 6 November 2007, Implementation of Directive 2005/35/EC regarding pollution caused by ships and the consequent sanctions);
- Termination and reduction of the use of harmful substances (article 3 of Italian Law no. 549/1993).

R) Employment of illegally staying third-country nationals (article 25-duodecies of Italian Legislative Decree no. 231/2001, article added by Italian Legislative Decree no. 109/2012, modified by Italian Law no. 161 of 17 October 2017)

- Fixed term or open-ended labour (article 22 of Italian Legislative Decree no. 286 of 25 July 1998);
- Transport of foreigners into the territory of the State (article 12, paragraph 3, paragraph 3-bis, paragraph 3-ter of Italian Legislative Decree no. 286 of 25 July 1998);
- Facilitation of unlawful stay in the territory of the State (article 12, paragraph 5 of Italian Legislative Decree no. 286 of 25 July 1998).

S) Racism and xenophobia (article 25-terdecies of Italian Legislative Decree no. 231/2001, added by Italian Law no. 163 of 25 October 2017, regarding “Delegating to the government the transposition of European directives and the implementation of other European Union acts - European Delegation Law 2016 - 2017”, modified by Italian Legislative Decree no. 21 of 1 March 2018)

- Propaganda and incitement to commit a crime for motives of ethnic and religious racial discrimination (article 604-bis of the Italian Penal Code).

T) Transnational offences (articles 3 and 10 of Italian Law no. 146 of 16 March 2006)

⁹ Article repealed by Italian Legislative Decree no. 21/2018 and replaced by article 452-quaterdecies of the Italian Penal Code - Organised activities for the unlawful trafficking of waste.

the commission, under the form of a transnational offence¹⁰, of any of the following offences:

- Criminal association (article 416 of the Italian Penal Code.);
- Mafia-type associations, including foreign ones (article 416-bis of the Italian Penal Code);
- Criminal association aimed at smuggling foreign-made tobacco (article 291-quarter of Italian Presidential Decree no. 43 of 23 January 1973);
- Association aimed at the unlawful trafficking of narcotic or psychotropic substances (article 74 of Italian Presidential Decree no. 309 of 9 October 1990);
- Breach of the provisions against illegal immigration (article 12, paragraphs 3, 3-bis, 3-ter and 5 of Italian Legislative Decree no. 286 of 25 July 1998);
- Inducement to refrain from making statements or to make false statements to the judicial authorities (article 377-bis of the Italian Penal Code);
- Personal facilitation (article 378 of the Italian Penal Code).

U) Fraud in sporting competitions, abusive gaming, gambling or games of chance exercised by using prohibited devices (article 25-quaterdecies, added with Italian Law no. 39 of 3 May 2019).

- Fraud in sporting competitions (article 1 of Italian Law no. 401 of 13 December 1989);
- Abusive gaming, gambling or games of chance (article 4 of Italian Law no. 401 of 13 December 1989).

V) Tax offences (article 25-quinquiesdecies, added by Italian Legislative Decree no. 124 of 26 October 2019, and subsequently modified by Italian Law no. 157 of 19 December 2019)

- Fraudulent statement through the use of invoices or other documents for non-existent transactions (article 2, paragraph 2 of Italian Legislative Decree no. 74 of 10 March 2000);
- Fraudulent statement through other means of artifice (article 3 of Italian Legislative Decree no. 74 of 10 March 2000);
- Unfaithful declaration (article 4 of Italian Legislative Decree no. 74/2000)¹¹;
- Failure to make a statement (article 5 of Italian Legislative Decree no. 74/2000)¹²;
- Issuing invoices or other documents for non-existent transactions (article 8 of Italian Legislative Decree no. 74 of 10 March 2000);

¹⁰ A transnational offence is punishable with a prison sentence of no less than 4 years, if an organised criminal group is involved, when the offence has been committed in more than one State, or when it has been committed in one State but, in another State, a substantial part of the preparation, planning, management or control was done, or if a “transnational” criminal group is involved or has substantial effects in other State.

¹¹ Article introduced by Italian Legislative Decree no. 75/2020.

¹² Article introduced by Italian Legislative Decree no. 75/2020.

- Concealment or destruction of accounting documents (article 10 of Italian Legislative Decree no. 74 of 10 March 2000);
- Undue compensation (article 10-quater of Italian Legislative Decree no. 74/2000)¹³;
- Fraudulent evasion of tax payments (article 11 of Italian Legislative Decree no. 74 of 10 March 2000).

W) Smuggling (article 25-sexiesdecies, article added by Italian Legislative Decree no. 75/2020)

- Smuggling in the movement of goods across land borders and customs areas (article 282 of Italian Presidential Decree no. 43/1973);
- Smuggling in the movement of goods across border lakes (article 283 of Italian Presidential Decree no. 43/1973);
- Smuggling in the maritime movement of goods (article 284 of Italian Presidential Decree no. 43/1973);
- Smuggling in the movement of goods by air (article 285 of Italian Presidential Decree no. 43/1973);
- Smuggling in non-customs areas (article 286 of Italian Presidential Decree no. 43/1973);
- Smuggling for the improper use of goods imported with special customs terms (article 287 of Italian Presidential Decree no. 43/1973);
- Smuggling in customs warehouses (article 288 of Italian Presidential Decree no. 43/1973);
- Smuggling in cabotage and in traffic (article 289 of Italian Presidential Decree no. 43/1973);
- Smuggling in the export of goods eligible to be returned by law (article 290 of Italian Presidential Decree no. 43/1973);
- Smuggling through temporary imports or exports (article 291 of Italian Presidential Decree no. 43/1973);
- Smuggling foreign-made tobacco (article 291-bis of Italian Presidential Decree no. 43/1973);
- Aggravating circumstances of the offence of smuggling foreign-made tobacco (article 291-ter of Italian Presidential Decree no. 43/1973);
- Criminal association aimed at smuggling foreign-made tobacco (article 291-quater of Italian Presidential Decree no. 43/1973);
- Other cases of smuggling (article 292 of Italian Presidential Decree no. 43/1973);
- Aggravating circumstances of smuggling (article 295 of Italian Presidential Decree no. 43/1973).

¹³ Article introduced by Italian Legislative Decree no. 75/2020.

A description of the individual types of offence is given in the appendix to this document, as are references to the articles in the Italian Penal Code that are relevant to understanding each type, accompanied by a brief illustration of the offence.

1.3 THE CASE OF COMMITTING AN OFFENCE ON THE GROUNDS OF PARTICIPATION

It should be noted that, by virtue of the theory of the unitary structure of the offence accepted by the Italian legal system, anyone who is participatory to an offence is subject to the punishment established for this pursuant to article 110 of the Italian Penal Code.

The entity may, therefore, be held liable, pursuant to Italian Legislative Decree no. 231/2001, when its executives or employees have participated in one of more offences being committed.

For the purposes of whether someone has participated in the same offence, in accordance with the combined provisions of articles 110, 114 and 115 of the Italian Penal Code, the party, with material, commissive or omissive behaviour and/or even only psychological behaviour, must have made a material or psychological contribution to the realisation, even of only one of the phases of conception, organisation or execution, of the criminal behaviour carried out by other parties, with the understanding and the desire to collaborate with them in carrying out such conduct.

The “commissive” participation may take place at the conceptual or the executive level; it may consist of an apparent behaviour to participate in the fact or of providing assistance (material participation) or of providing moral support (determining or strengthening the criminal intent).

The essential element consists of the so-called “facilitating or strengthening causality”: the accomplice’s actions need not necessarily have to constitute “*condicio sine qua non*” of the punishable deed (in the sense that, without it, the deed would not have happened), but the accomplice must have, in any case, played a part that *enabled* or *facilitated* the achievement of the end objective of the individual who perpetrated the offence.

The verification of the existence of someone’s participation implies that the deeds of individuals are considered to be, simultaneously, their own as well as common to other parties, so that each party is liable for them.

As for the case of “omissive” participation, article 40 of the Italian Penal Code states that “not preventing an event, for which there is a legal requirement to prevent it from happening, is equivalent to causing the event”.

The law has clarified that “participation cannot be understood as purely negative behaviour such as to prevent an offence from being committed (where there is a legal obligation to prevent it) or to not report its preparation or the causal presence in the offence being committed”.

The basis of liability is, therefore, related to the existence of someone having a legal obligation to prevent a certain event from happening (the so-called “duty of care”), an obligation that may arise from:

- legislation or regulation;
- a contract;
- a previous activity carried out by the party under the obligation and causing a hazardous situation for the goods to be protected under criminal law.

The essential constituent components of the duty of care are: *“on the one hand, a source of private or public law, even if not written, or a situation of fact for previous unlawful conduct, which constitutes the duty to intervene; and, on the other hand, the existence of a power (legal but also de facto) through the correct use of which the person with the duty of care is able, by taking action, to prevent the event from happening”* (Cass., sec. IV, 21-05-1998).

2 EXEMPTIONS FROM LIABILITY

The legal person is exempt from liability, and from any consequent sanctions, when:

- it has “adopted and effectively implemented, prior to the offence being committed, organisation and management models capable of preventing offences of the type that occurred”;
- it has entrusted “the task of supervising the operation of and compliance with the models and of ensuring the same are updated” “to a body within the entity that is equipped with autonomous powers of initiative and control” and there has not been any omission or insufficient supervision by the same;
- the offence was committed by “fraudulently eluding the organisation and management models”.

The aforementioned models, in order to be considered sufficient to exempt the entity from liability, must be capable of meeting the following needs:

a) in relation to the offences committed by individuals in senior positions (article 5, letter a):

- to identify those activities, in the context of which offences might be committed;
- to provide for specific formation and implementation protocols of the legal entity’s decisions in relation to the offences to be prevented;
- to identify ways of managing the financial resources which can prevent offences from being committed;
- to provide for information obligations towards the Supervisory Body on the operation of and compliance with the models;
- to introduce a disciplinary system capable of sanctioning breaches of the model;

b) in relation to the offences committed by “regular” employees (article 5, letter b):

- to provide for measures to ensure that activities are performed in compliance with the law, in relation to the nature and size of the organisation, and the type of activity carried out;
- to promptly eliminate any situation of risk through a periodic check of the model's effectiveness and the constant updating of the same, even following ascertained breaches or anomalies, or changes in the entity's organisation or activity;
- to prepare a disciplinary system capable of sanctioning breaches of the model.

Furthermore, as provided for by Italian Law no. 179 of 30 November 2017, concerning *whistleblowing*, which has seen the addition, after paragraph 2 of article 6 of Italian Legislative Decree no. 231/01, of paragraphs 2-bis, 2-ter and 2-quater, the models must provide for:

- one or more channels that allow *senior* personnel and individuals *under another party's management*, to submit, in order to safeguard the entity's integrity, detailed reports of unlawful conduct which are relevant pursuant to Italian Legislative Decree no. 231/2001 and which are based on clear and consistent facts, or breaches of the entity's model, of which they have become aware by virtue of the functions performed; these channels must ensure the confidentiality of the reporting party in the report management activities;
- at least one alternate reporting channel suitable for ensuing, with IT means, the confidentiality of the identity of the party making the report;
- the prohibition on retaliatory or discriminatory acts, direct or indirect, against the reporting party for reasons connected with, directly or indirectly, the report made by the same;
- in the disciplinary system, sanctions against those who breach the measures put in place to protect the reporting party, as well as against those who make fraudulent or grossly negligent reports that are found to be without grounds.

3 MODELS OF REFERENCE

Article 6 of the Decree provides, finally, that the organisation and management models can be adopted on the basis of the codes of conduct prepared by representative trade associations, communicated by the Italian Ministry of Justice, which, in agreement with the competent Ministries, will deliver, within 30 days, observations on the suitability of the models to prevent offences from being committed.

Confindustria has defined some guidelines for establishing organisation, management and control models (hereinafter, the "Confindustria Guidelines") by providing, amongst other things, methodological instructions for identifying risk areas (sectors/activities in which offences could be committed), the design of a control system (the so-called protocols for scheduling the formation and implementation of the entity's decisions) and the contents of the Model.

Specifically, the Confindustria Guidelines recommend that companies use risk assessment and risk management processes and provide the following phases for the definition of the Model:

- the identification of the risks, that is, the analysis of the corporate context in order to highlight where (in which area/sector of activity) and in which ways events might occur that could be prejudicial to the objectives indicated in Italian Legislative Decree no. 231/2001;
- the design of the control system (the so-called protocols for scheduling the formation and implementation of the entity's decisions), that is, the assessment of the current system within the entity and its possible adaptation in terms of the ability to counteract, in an effective way, that is, to reduce to an acceptable level, the identified risks;
- the adoption of some general tools among which the main ones are the Code of Ethics, with reference to the offences given in Italian Legislative Decree no. 231/2001, and a disciplinary system;
- the identification of the criteria for choosing the Supervisory Body, an indication of its requirements, duties, and powers, and the information obligations.

According to the Confindustria Guidelines, the elements described above need to be integrated organically into a system architecture that respects the series of control principles, including:

- in the case of malicious offences, the system cannot be circumvented unless done intentionally;
- in the case of negligent offences, and hence incompatible with fraudulent intent, the system is, in any case, breached, despite the timely compliance with the supervisory obligations by the specific body.

Both with regard to malicious offences and negligent ones, the preventive control systems can be summarised as:

- the adoption of a Code of Ethics (or code of conduct) with regard to the offences in question;
- an organisational system, sufficiently formalised and clear, especially with regard to the assignment of responsibility, the corporate lines of hierarchy, and the description of duties, with specific regard to the principles of control such as, for example, cross-checking functions;
- manual and IT procedures (information systems) such as to regulate how activities are carried out, providing for appropriate control points;
- authorisation and signatory powers, assigned in accordance with the defined organisational and managerial responsibilities, providing for, when required, a precise indication of the expense approval limits;
- a management control system capable of providing timely reports of the existence and the occurrence of a general and/or a specific critical situation;
- communication with personnel and their training.

It should be noted that failure to comply with the specific points in the Confindustria Guidelines does not, in itself, affect the validity of the Model.

The individual Model, in fact, by having to be prepared with regard to the Consortium's actual business, may well stray from the Guidelines in some specific points (which, by their nature, are generic), when this is due to the need to ensure greater controls than those laid out in the Decree.

In view of this, the illustrative observations given in the annex to the Guidelines (so-called Case Studies) need to be assessed, as must the concise list of the control tools given therein.

For the purposes of adopting a suitable organisation and management model, COREPLA has also taken into account the indications provided by models developed in the context of self-regulation, at the national level in certain sectors such as listed companies, financial intermediaries, and credit institutes, which are particularly careful (for official duties) in complying with the criteria of correctness, transparency, and effectiveness (the "Preda Code", as implemented in accordance with what emerges from the *"Analysis of the extent of the implementation of the Corporate Governance Code of listed companies"* published by Assonime on 23 January 2004; *"The ABI Corporate Governance Code"*; *"Regulations for intermediaries in the securities market"*, issued with the provision by the Governor of the Bank of Italy on 4 August 2000). The Public Administration, following Italian Legislative Decree no. 29 of 3 February 1993, has also adopted "internal control services" or "assessment units", with the task of verifying that objectives are achieved, that public resources are correctly and economically managed, that the administration operates with impartiality, and that the administration's actions are performed well.

Clearly, these models have been designed and assessed on the basis of the general guidelines for the sector, since they are, in detail, not suited to the nature and type of COREPLA's business. Finally, in creating the model, COREPLA did not overlook the indications coming from the analysis of the models derived from international experience, with particular reference to those coming from the United States. Specific reference was made to legislation and corporate governance.

4 FUNDAMENTAL TECHNIQUES OF "CORPORATE GOVERNANCE"

In light of the indications drawn from the models of reference, the following fundamental techniques of "Corporate Governance" can be identified as components of an effective system of organisation and management:

- the adoption of a "Code of Ethics", which, in relation to the hypothesised conduct, identifies ethical principles that are capable of countering the types of offences given under Italian Legislative Decree no. 231/2001 and the disciplinary measures connected to any breach of these principles;

- the implementation of an “organisational system”, sufficiently formalised and clear, with regard to the assignment of responsibility, the corporate lines of hierarchy, the description of duties, and the principles of control (e.g. by cross-checking functions, etc.);
- the implementation of a system of “manual and IT procedures” that provides for suitable control tools over the activities at risk (e.g. separation of duties in carrying out activities at risk, requirement for multiple approval signatures, etc.);
- the assignment of “authorisation and signatory powers” in accordance with the organisational and managerial responsibilities assigned;
- the existence of a “management control system” designed to provide timely reports on general or specific critical situations;
- the predetermination and knowledge, by employees and the public at large, of the entity’s rules of conduct;
- the current trend of appointing non-executive members to the Board of Directors in order to ensure greater independence of judgement;
- the transparency in internal decision-making processes and the consequent understanding of the role played by each corporate body in adopting and implementing such decisions;
- the implementation of a principle of personnel rotation, in line with each individual’s skills and abilities and in compliance with the prohibition on amending *in peius* the relationship enshrined by article 2103 of the Italian Civil Code, aimed at ensuring the most effective and efficient use of resources and at promoting the professional development of “regular” employees and executives;
- the creation of an “Internal Control System” designed to monitor compliance with the correct principles of management and administration, as well as the suitability of the corporate organisational structures and procedures, through the identification of control bodies and the relative skills, abilities, powers, and responsibilities;
- the clear definition of the tasks and responsibilities and the consequent accountability of each management and control body;
- the constant exchange of information between the various bodies and within them, with particular regard to the periodic information from the executive bodies and the exchange of information between the control bodies;
- the knowledge of the control systems adopted by the entity, as well as the controls done and their results;
- “personnel communication” which is widespread, effective, authoritative, clear, detailed, and periodic regarding the principles and the various preventive tools adopted;
- “training” aimed at personnel involved in the Activities at Risk, targeted to categories of recipients, which outlines the reasons for which, beyond the legal one, the rules have been introduced and how they are to be implemented effectively;
- the creation of a body inside the entity entrusted with the task of supervising the operation of and the compliance with the Model as well as updates to it, characterised by independence, autonomy in the powers of initiative and control, suitable professionalism, continuity of action.

5 COREPLA'S ADOPTION OF THE MODEL

5.1 DESCRIPTION OF THE CONSORTIUM STRUCTURE AND THE AREAS OF ACTIVITY

COREPLA is a non-profit Consortium, established in accordance with current environmental legislation, to fulfil the obligations of recovering and recycling plastic packaging waste, as well as the obligations of reclaiming used plastic packaging and of collecting secondary and tertiary plastic packaging waste on private areas, all with reference to the obligation to collect, upon the instructions of CONAI, plastic packaging waste delivered by public services.

Specifically, the Consortium rationalises, organises, guarantees, promotes, and encourages:

- a) as a priority, the collection of plastic packaging waste, delivered to the public differentiated waste collection service, upon the instructions of CONAI;
- b) the collection of secondary and tertiary plastic packaging waste on private areas;
- c) the recovery of used plastic packaging;
- d) the recovery and recycling of plastic packaging waste;
- e) the use of products and materials obtained from the recovery and recycling of plastic packaging waste;
- f) the development of differentiated plastic packaging waste collection.

The Consortium, upon the instructions of CONAI, fulfils the obligation of collecting plastic packaging waste coming from the public differentiated waste collection service in accordance with the methods and criteria provided for within the specific prevention and management plan pursuant to article 223, paragraph 4, and the general prevention and management programme pursuant to article 225 of Italian Legislative Decree no. 152 of 3 April 2006.

The Consortium may also carry out an integrated activity of reclaiming, collecting, recovering, and recycling plastic material, including that which does not come from packaging, where provided for by law or by a public authority or when there are functional needs to rationalise interventions and make them cost-effective in order to render environmental protection measures more efficient. The activity is carried out in compliance with the specific sector regulations and any reservations imposed by law in favour of other parties, with which specific agreements, or other forms of cooperation, need to be agreed. The activity cannot benefit, in any way whatsoever, from the sums coming from CONAI's environmental contribution.

Forming part of the Consortium are producers of plastic packaging who have not adopted one of the alternative systems provided for by current legislation regarding the environment (autonomous organisation, even collectively, of the management of their own plastic packaging waste throughout the country, or a self-sufficient system of their own packaging being returned).

Also able to participate in the Consortium are users who manufacture plastic packaging and parties who fill such packaging, as well as users who import already filled plastic packaging and companies who carry out plastic packaging waste recovery and/or recycling activities.

Under current environmental legislation, COREPLA is a legal entity incorporated under private law.

The Consortium is governed by Articles of Association, adopted in accordance with the standard scheme, prepared by the Italian Minister for the Environment, Land and Sea Protection in concert with the Italian Minister for Productive Activities.

There are no limits to the number of Consortium members. There are currently 2,520 members of COREPLA (updated by the Board of Directors on 2/12/20). COREPLA employs between 55 and 70 people; the Consortium's economic data comes from the financial statements which are regularly filed.

5.2 THE SYSTEM OF POWERS OF ATTORNEY AND MANDATES

The system of powers of attorney and mandates runs alongside the other tools in this Model for the purposes of preventing the risk of an offence being committed within the sensitive activities identified.

The term “power of attorney” is used to describe the unilateral legal transaction with which the Consortium attributes the power to act, on behalf and in the name of the same, to an individual party. Every party that has the power to commit the Consortium to an external party holds the relative power of attorney.

The term “Board of Directors’ mandates” is used to describe the resolutions with which the Consortium’s Board of Directors confers - to one or more of its members - the power to exercise, autonomously, some of the powers of the body as a whole, determining, in an unequivocal way, the content, the limits, and the possible ways of exercising such powers.

The term “organisational mandate” is used to describe any internal act of assigning functions and tasks, reflected in the organisational communications system. Each internally valid organisational mandate defines, in a specific and unequivocal way, the powers of the holder of the mandate, laying out the limits, as well as the party (body or individual) to whom the holder of the mandate reports hierarchically.

Within the limits imposed by law and by the Articles of Association, the Board of Directors may delegate its own powers, in whole or in part, to one or more of its members.

In granting a power of attorney, the Consortium establishes that only those parties holding the formal and specific powers may take on a commitment towards a third party in the

name and on behalf of the Consortium. Therefore, permanent powers of attorney are granted solely in relation to carrying out organisational roles that highlight the actual need for representation, taking account of the organisational responsibilities formally assigned to the organisation for which the holder of the power of attorney is responsible. Specifically, all the powers assigned through a power of attorney are consistent with the missions and the responsibilities envisaged for the organisation. Minutes from Board of Directors' meetings which assigned powers are kept at the Consortium's offices.

Any changes to a mandate held by a member of the Board of Directors or to a power of attorney which might occur after the adoption of the organisation, management and control model has been adopted, must be shared by the Board of Directors or by the Managing Director with the Supervisory Body, which will be required to verify the compliance of the proposed changes - whether to a power of attorney or to a mandate held by a member of the Board of Directors - with the current Model and to bring to the attention of the Board of Directors any incompatibilities that might make it necessary to promptly update the organisational Model itself.

5.3 THE AIMS

The adoption of the Model is provided for by Italian Legislative Decree no. 231/2001 as optional and not mandatory.

Having reviewed and acknowledged the provisions of Italian Legislative Decree no. 231/2001, the Consortium has deemed it appropriate to adopt this organisation, management and control Model in order to achieve an increasingly more suitable level of correctness and ethics in how it runs its business and in its relationships with third parties - in any capacity and in any form - involved in the company's activities.

Specifically, the Consortium is sensitive to the need to ensure conditions of fairness and transparency in running its affairs and in the company's activities, to safeguard its position and image, the expectations of its shareholders, and the work of its employees, and is constantly committed to maintaining the ability of its internal control system to prevent any unlawful behaviour by its Directors, employees, contractors, representatives, and business partners.

Indeed, it is the Consortium's view that the Model constitutes a tool through which every party - internal and external - who is involved in the management of the company can behave in a proper way and, thereby, comply with the need to prevent the risk of an offence, such as those envisaged by legislation, being committed.

COREPLA's decision is, in fact, part of a broader initiative aimed at:

- ensuring that the Model becomes a suitable tool for "institutionalising ethics" within the Consortium, making sure that the Model is not the result of an

imposition but, rather, the result of every part of the company's organisation chart sharing and implementing the values deemed "just" by its recipients;

- promoting knowledge of the Model amongst every party involved with COREPLA, in order to create a "virtuous circle" of adaptation to ethical and responsible behaviour, including by parties with which COREPLA has a relationship;
- increasing its reputation for reliability on the market, meeting the growing demand for ethical and responsible behaviour that comes from the institutional world and which is fuelled by public opinion and reflected in the increasing focus on social and environmental topics linked to the concept of sustainable development;
- considering the Model not only as a tool to prevent offences from being committed, but as a "mirror" of a system of organisation and management that is able to ensure the efficiency of management and the creation of long-term value, combining the pursuit of the values of innovation, quality, professionalism, and safeguarding the environment.

5.4 CUSTOMISATION OF THE MODEL

Customising the Model to the reality which is COREPLA constitutes a determining factor in the validity of the Model as a reason for exemption pursuant to Italian Legislative Decree no. 231/2001.

Customising the Model is done for the following objectives:

- to ensure the effectiveness of the Model so that, when subjected to judicial scrutiny, it meets or exceeds the suitability and compliance checks laid out by Italian Legislative Decree no. 231/2001;
- to ensure the Model's simplicity by avoiding unnecessary complexity or bureaucracy that will only make applying the Model more difficult, including with regard to the size of COREPLA;
- to ensure the flexibility of the Model, thereby ensuring that it is easy to integrate, should there be any regulatory, legislative or doctrinal changes, or organisational or management changes, by taking note of the need for the Model to be constantly updated with regard to any anomalies which might arise or to any breaches of the Model which might occur, and to the non-definitive nature of the models prepared by representative associations.

Pursuant to article 7, paragraph III of Italian Legislative Decree no. 231/2001, "the model provides, in relation to the nature and to the size of the organisation, as well as to the type of activity carried out, measures which are suitable to ensure that the activity is carried out in compliance with the law and that any situations of risk are discovered and dealt with promptly" (article 7, paragraph 3).

Therefore, for the purposes of customising the Model, the following issues, specific to COREPLA, were taken into account:

Corporate organisation

COREPLA is managed by a Board of Directors made up of sixteen members elected by the Shareholders' Meeting and made up of representatives from consortium trade sectors in accordance with the breakdown established by article 12 of the Articles of Association. The members of the Board of Directors remain in office for three years, which expire on the date of the Shareholders' Meeting called to approve the financial statements relating to the last year of their time in office. Members may be re-elected.

The Board of Directors is invested with the broadest powers for the ordinary and extraordinary management of Consortium and has the ability to carry out any action that it deems appropriate and opportune to implementing and achieving the Consortium's aims.

The Consortium's Chairperson and Vice Chairperson are appointed by the Board of Directors following a turn-based rotation amongst its trade sector members pursuant to article 12, paragraph 1, letters a) and b) of the Articles of Association and they remain in office until the termination of the Board of Directors that appointed them. If the Chairperson leaves office early, the new Chairperson is selected from amongst those directors elected in the percentage reserved to the same trade sector. The new Chairperson shall remain in office until the end of the three-year period which began with his/her predecessor.

The Board of Statutory Auditors is made up of three standing and two substitute auditors. One of the standing auditors and one of the substitute auditors are appointed by the Italian Ministry for the Environment, Land and Sea Protection and the Italian Ministry for Economic Development, selecting from the employees of the said Ministries. The other standing and substitute auditors are elected by the Shareholders' Meeting from those professionals registered in the Italian National Register of Accounting Professionals. Until the Italian Ministry for the Environment, Land and Sea Protection and the Italian Ministry for Economic Development have appointed the members for which they are responsible, the Board of Statutory Auditors shall be considered validly constituted by the members elected by the Shareholders' Meeting.

The Auditors remain in office for three years, which expire on the date of the Shareholders' Meeting called to approve the financial statements relating to the last year of their time in office. Auditors may be re-elected. In the event that someone leaves their office for any reason whatsoever, a replacement shall be selected from the substitute auditors. The auditor appointed as a replacement shall remain in office until the following Shareholders' Meeting. The Shareholder's Meeting has the right to revoke an auditor's term for just cause.

Accounting checks on the Consortium are done by the Board of Statutory Auditors or by a duly registered, independent auditing firm.

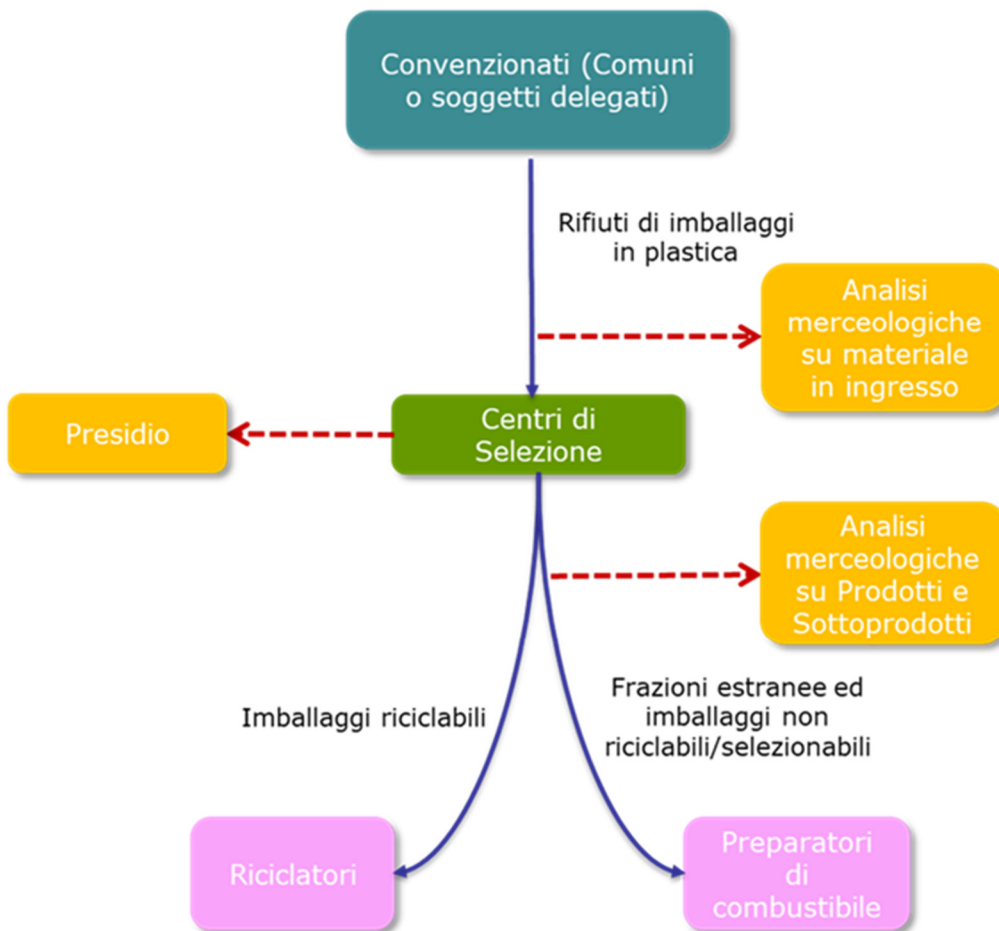
The position of General Manager, where provided for, is conferred by the Board of Directors, following a proposal by the Chairperson, on a person who has accrued significant managerial experience, and the relative employment relationship is regulated by a contract under private law.

COREPLA's size

There are 2,520 members of COREPLA (updated by the Board of Directors on 2/12/2020).

The types of activities carried out by COREPLA

COREPLA's operational flows in pursuing the assigned aims can be summarised by the following diagram:



The products selected by the sorting centres are sent for recycling. The by-products from the sorting process are, for the most part, sent for energy recovery; a residual portion is sent for disposal.

5.5 THE ESTABLISHMENT AND ADOPTION OF THE MODEL

With the resolution by COREPLA's Board of Directors on 16 February 2004, a Study Group was established to perform a detailed analysis of the aspects relating to COREPLA's organisation and management Model.

The Study Group:

1. looked into the issues underlying the company's ethical and social responsibilities, the analysis of the models of reference, and the best "governance" techniques ("best practice");
2. analysed the management and control tools already in place in COREPLA and the procedures already in effect;
3. mapped the potential risks and potential activity areas affected, through a detailed analysis of the activities carried out by each COREPLA Function and Service;
4. identified improvement actions;
5. proposed the appointment of the Supervisory Body (previously called the Control Body), to which to defer the task of supervising compliance with the Principles of Behaviour, the task of periodically seeing to the Model's update, and the task of ensuring coordination with the other control bodies.

The Study Group's work was documented in reports and meeting minutes prepared from time to time.

Upon the completion of its work, the Study Group delivered a draft Model, which was discussed on 19 May 2004 and approved by the Board of Directors with their resolution dated 14 June 2004.

In consideration of the legislative changes which have been made, and the impact of these changes on COREPLA, the Board of Directors has approved various updates, the last of which was on 24 March 2021.

The Model is made up of this General Section and several Special Sections. The General Section describes, in addition to the corporate governance model and the system of mandates and powers, the Model's definition process and operating principles, as well as the actual mechanisms to implement it. The Special Sections, one for each family of offences, describe the types of offence, the specific Consortium activities that are deemed sensitive, the consequent principles of behaviour to be respected as well as the control protocols implemented and the systematic information flows to the Supervisory Body, set up to prevent an offence from being committed.

This organisation, management and control Model is the result of a complex series of preparatory activities, carried out also thanks to the collaboration from external consultants who specialise in the topic.

First of all, the initial, preliminary analysis phase was done, during which, using an analytical document containing details on the offences listed in Italian Legislative Decree no. 231/2001 (the so-called "Tutorial: the offences subject to assessment in the review of the Organisation, Management and Control Model pursuant to Italian Legislative Decree no. 231/01") and an operational workshop, the individual types of offences were identified which could, theoretically, be committed in relation to the specific activities typically carried out by the Consortium which presented specific risk profiles (so-called "sensitive activities").

On the basis of what emerged from this preliminary analysis, supporting documentation was prepared in order to carry out a *risk assessment*. Specific questionnaires were drawn up, aimed at those parties involved in carrying out the sensitive activities, and these were then analysed and compiled as part of collective meetings, designed to obtain a more reliable assessment of the risk inherent to each individual activity.

Information on how to compile the questionnaire and how to assess the risk inherent to the specific sensitive activity was laid out in a specific document available from the Consortium's records (the so-called "*risk assessment methodology*").

The results from the preliminary analysis and from the *risk assessment* were collected in separate documents (the so-called "Results from the operational workshop on the preliminary analysis in the review of the Organisation, Management and Control Model pursuant to Italian Legislative Decree no. 231/01" and the so-called "Results from the *risk assessment* phase"), available for review from the Consortium's records.

With regard to managing the risk that an offence might be committed in relation to the sensitive activities considered in the course of the *risk assessment*, a decision was made to use different tools depending on the intensity of the risk perceived.

Specifically, in the case in which the sensitive activities associated to a family of offences display medium and/or high risk profiles, the prevention of the offences belonging to such a family is ensured through specific control protocols included within one of the specific Special Sections together with the appropriate general principles of behaviour, as well as through the ethical principles of behaviour expressly associated to such a family in the Code of Ethics¹⁴.

In the event in which, however, the sensitive activities connected to a family of offences display low risk profiles, for the purpose of preventing the offences belonging to the family in question from being committed, it is deemed sufficient to ensure compliance with the ethical principles of behaviour expressly associated with this family in the Code of Ethics and the general principles of behaviour, as laid out in the relevant Special Section.

In every case in which, during the preliminary analysis, it appeared that none of the offences belonging to one of the families considered by Italian Legislative Decree no. 231/2001 were theoretically possible, in relation to the activities carried out by the Consortium, reference to the principles contained in this General Section of the Model and in the Code of Ethics is deemed comprehensive. These references bind the Recipients

¹⁴ The sensitive activities assessed as being "Medium" risk, with value 5 (that is, with an assessment 1-5 or 5-1), with value 6 (that is, with an assessment 2-3 or 3-2), or with value 8 (that is, with an assessment 2-4 or 4-2) will mainly be managed, in terms of preventing the predicate crime, with the use of the fundamental control principles relating to the traceability of actions and the separation of functions, and the documentation of controls. The sensitive activities assessed as being "Medium" risk, with value 9 (that is, with an assessment 3-3), with value 10 (that is with an assessment 2-5 or 5-2), or with value 12 (that is, with an assessment 3-4 or 4-3), and the sensitive activities assessed as being "High" risk, will be managed, in terms of preventing the predicate crime, with control protocols in the strictest sense accompanied, if necessary, by appropriate information flows to the Supervisory Body.

of the Model to respect the values of integrity, transparency, lawfulness, impartiality, and prudence, as well as the ethical principles of behaviour expressly associated to such a family in the Code of Ethics.

The table below, compiled in the light of the *risk assessment* provides a view of the significance, in relation to the activities carried out by the Consortium, of the family of offences considered by Italian Legislative Decree no. 231/2001 and the tools selected to manage the risk profile connected to them.

Code	Family of offences	Significance of the family of offences	Prevention measures
A	Offences against the Public Administration	Significant	Code of Ethics Special Section A
B	Computer crime and unlawful data processing	Not significant	Omitted
C	Organised crime	Significant	Code of Ethics Special Section C
D	Counterfeiting money, legal tender, duty stamps, and instruments or signs of recognition	Not significant	Omitted
E	Offences against industry and trade	Not significant	Omitted
F	Corporate crimes	Significant	Code of Ethics Special Section F
G	Offences for terrorism purposes or to subvert the democratic process	Not significant	Omitted
H	Female genital mutilation	Not significant	Omitted
I	Offences against the individual personality	Not significant	Omitted
L	Offences of market abuse	Not significant	Omitted
M	Offences of manslaughter or serious or grievous bodily harm in breach of the rules on safeguarding occupational health and safety	Significant	Code of Ethics Special Section M
N	Offences of receiving, laundering and using money, goods or assets of unlawful origin, as well as self-laundering	Significant	Code of Ethics Special Section N
O	Offences regarding breach of copyright	Significant	Code of Ethics Special Section O
P	Inducement to refrain from making statements or to make false statements to the judicial authorities	Significant	Code of Ethics Special Section P

Code	Family of offences	Significance of the family of offences	Prevention measures
Q	Environmental offences	Significant	Code of Ethics Special Section Q
R	Employment of illegally staying third-country nationals	Significant	Code of Ethics Special Section R
S	Racism and xenophobia	Not significant	Omitted
T	Transnational offences	Not significant	Omitted
U	Fraud in sporting competitions, abusive gaming, gambling or games of chance exercised by using prohibited devices	Not significant	None
V	Tax offences	Significant	Code of Ethics Special Section V
W	Smuggling	Not significant	None

The construction of the Model through a plurality of Special Sections allows for new Special Sections to be added as a result of the introduction of new categories of Offences to those already indicated in Italian Legislative Decree no. 231/2001.

The subsequent modifications or supplements relative to the General Section or the Special Sections, including any proposals made by the Supervisory Body, are left to the Board of Directors to deal with.

Any modifications to the mandates held by Board members or to the powers of attorney which might be made following the adoption of the organisation, management and control Model do not constitute a modification or a supplement to the organisation, management and control Model itself, formally representing a mere modification of the Annex to this Model. In these cases, any necessary modifications to the Model itself are proposed by the Supervisory Body, following an assessment of any incompatibilities.

The most up to date version of the Model is made available immediately by the Supervisory Body.

6 COREPLA'S GENERAL TOOLS TO PREVENT OFFENCES FROM BEING COMMITTED

The Special Sections including an examination of the specific tools in relation to their suitability in preventing the various categories of Offences from being committed, as indicated in Italian Legislative Decree no. 231/2001.

This General Section highlights some organisation and management tools adopted by COREPLA. These tools have a general value for the purpose of preventing offences from

being committed and represent the display of the “governance” techniques (*best practice*) described above.

They must, therefore, be understood as fully referred to in the Special Sections of the Model.

- **Code of Ethics:** COREPLA has adopted a Code of Ethics with the aim of identifying and describing the Principles that inspire and drive the Consortium’s activities. Recipients of the Code (members of the administration and control bodies, executives, “regular” employees, representatives and agents of COREPLA, *partners*, contractual counterparties) are required to behave in a way that is consistent with these Principles. The Code of Ethics constitutes an essential component of the Model.
- **Articles of Association:** COREPLA is governed by Articles of Association which have been approved with a decree by the Italian Minister for the Environment, Land and Sea Protection in concert with the Italian Minister for Economic Development (now the Minister for Economic Development and Labour and Corporate Policies) and with the Italian Minister for the Economy and Finance. The implementing provisions of the Articles of Association are contained in the specific regulations, announced by the Italian Ministry for the Environment, Land and Sea Protection and the Italian Ministry for Economic Development (now the Ministry for Economic Development and Labour and Corporate Policies), which can request that the necessary modifications be adopted at any time.
- **The composition of COREPLA’s Board of Directors:** COREPLA’s Board of Directors is made up of non-executive members with the exception of the Chairperson. Regulations govern how Directors are appointed, in order to ensure representation on the Board of every consortium trade sector, in accordance with the proportions established in the Articles of Association.
- **Control bodies:** COREPLA’s Board of Statutory Auditors carries out control duties assigned by law and by the Articles of Association; COREPLA also commissions, on a voluntary basis, a leading independent auditing firm to perform an annual review of its accounts.
- **COREPLA’s Integrated Management System:** COREPLA’s business is aimed at achieving the objectives of recovering and recycling plastic packaging material generated in Italy in accordance with national legislation and EU directives. In view of this purpose, COREPLA has adopted an Integrated Quality, Environmental and Safety Management System, certified by accredited, independent bodies, and in compliance with UNI EN ISO 9001:2015, UNI EN ISO 14001:2015 and UNI ISO 45001:2018; the Consortium also holds EMAS European registration, not only to assess and improve its own environmental performance, but also and above all to provide the public, and any other interested party, information on its environmental management by publishing an Environmental Statement each year. With regard to managing the security of information, COREPLA is ISO/IEC 27001:2013 certified. Finally, the processes of managing consortium flows are validated by a leading company on behalf of CONAI.

- **Supervision:** COREPLA is subject to supervision by the Italian Ministry for the Environment, Land and Sea Protection and the Italian Ministry for Economic Development (now the Ministry for Economic Development and Labour and Corporate Policies).
- **Internal Audit function:** for further safeguards, COREPLA has established an internal team whose main tasks are:
 - to manage and to coordinate, on a periodic basis, the analysis and assessment of corporate risks, involving every function in order to identify, map and assess every situation which could prevent the Consortium from achieving its objectives, and to highlight those areas at risk identified in the Model;
 - to carry out audits for the Supervisory Body and to draw up the consequent reports;
 - to coordinate the work necessary to update the Model 231 periodically;
 - to define the Resolution Plan covering issues and the subsequent follow-up checks;
 - to carry out control activities and verification activities covering specific issues whenever requested by the Chairperson and/or by the Supervisory Body;
 - to ensure, to the extent of its responsibility, the correct and constant application of the corporate regulations and procedures.

6.1 THE RELATIONSHIP BETWEEN THE MODEL AND THE CODE OF ETHICS

The principles and rules of behaviour contained in this Model are supplemented by the Code of Ethics adopted by the Consortium, whilst presenting the Model with a different scope compared to the Code itself, for the purposes it aims to pursue in implementing the provisions of the Decree.

Precisely with reference to the Code of Ethics, it should be noted that the behaviour of the Recipients, as well as the External Parties, must adhere to the general values and ethical principles of behaviour, as laid out in the “Code of Ethics adopted pursuant to Italian Legislative Decree no. 231/2001” (hereinafter also the “Code”) adopted by the Consortium’s Board of Directors on 14 June 2004.

This Code has been prepared in order to translate the ethical values into principles of behaviour, which the Recipients of the Code are required to follow in their business affairs, tasks, and activities, including in relation to the behaviour that could involve the types of offences envisaged by Italian Legislative Decree no. 231/2001.

In light of this purpose, the Code of Ethics contains and institutionalises the values aimed at seizing and ensuring - at the company level - respect for the overall spirit of Italian Legislative Decree no. 231/2001 and, therefore, the Code will also cover the ethical principles of behaviour expressly associated with the families of offences for which the

risk of them being committed was, during the *risk assessment*, not deemed to be significant.

From this perspective, it is worth noting that:

- the Code represents an instrument adopted autonomously by the Consortium which can be applied, generally, for the purpose of expressing the principles of corporate ethics that the Consortium recognises as its own and with which it requires compliance from its employees and every party who cooperates in the pursuit of the corporate aims;
- the Model also fulfils the specific provisions contained in the Decree aimed at preventing the particular types of offences from being committed for the reasons that, if committed, apparently, in the interests or to the benefit of the company, they might lead to administrative liability for the offence on the basis of the provisions in the same Decree.

However, in consideration of the fact that the Code refers to principles of behaviour capable of preventing unlawful behaviour of the sort envisaged in the Decree, it acquires significance for the purposes of the Model and, as such, constitutes, formally, an integral component of the Model itself.

7 THE SUPERVISORY BODY

7.1 COMPOSITION

The Supervisory Body is appointed by the Board of Directors.

COREPLA's Supervisory Body is a collegiate body whose members are: a member of the Board of Directors, the Legal and General Affairs Director, and an external member who carries out the role of the Chairperson of the Body itself.

The external member is a freelance professional with suitable skills, abilities, and experience on the specific topics dealt with by Italian Legislative Decree no. 231/01.

It remains understood that the selection criteria used to identify the members of the Supervisory Body must take into consideration the suitability of this body to ensure the effectiveness of the controls in relation to the Consortium's size and organisational complexity.

The Supervisory Body may be supported in carrying out its activities by a Secretary, appointed by the Supervisory Body from among those individuals belonging to the Consortium. The Secretary's tasks will be defined in the Regulations covering the same Supervisory Body. The Secretary, in carrying out his/her tasks, in close contact with the Supervisory Body, ensures that all the activities regarding the Decree and the Model, whose implementation has been requested by the Board of Directors or by the Supervisory

Body, are actually implemented within the times requested and to the expected level of quality.

The appointment must specify the criteria used in the identification, the organisation, and the type of body or function invested with the role of Supervisory Body, as well as the reasons that led to the choice being made and the individual members of the Supervisory Body.

In the collegiate composition, the members of the Supervisory Body, at the time of their appointment and for the entire period of their time in office, must be guaranteed a position of independence.

The members of the Supervisory Body must personally meet the requirements of integrity and morality.

An situation incompatible with the role of a member of the Supervisory Body arises in the cases in which the member:

- holds, directly or indirectly, professional and economic relationships, with the exception of the employment relationship and without prejudice to the professional relationships which are ancillary to the actual activities of the Supervisory Body and in support of the Body itself, with the Consortium or with executive directors of such significance as to affect the autonomy of their judgement, including in the light of a careful assessment of the subjective financial conditions of the natural person in question;
- is a close family member of an executive director of the Consortium or a party who finds him/herself in one of the situations indicated in the previous points;
- is banned, deemed incompatible with such an office or is declared bankrupt;
- is sentenced, with an irrevocable ruling pursuant to article 648 of the Italian Penal Procedure Code:
 - for actions connected to carrying out his/her duties;
 - for actions which significantly affect his/her professional morality;
 - for actions which involve disqualification from public office, from the position of company director or legal entity, from a profession or art, as well as losing the ability to contract with the Public Administration;
 - in any case, for having committed one or more of the predicate crimes covered by Italian Legislative Decree no. 231/2001;
- is subject to criminal proceedings; specifically, to safeguard the essential requirements of the Supervisory Body, from the moment when the same receives notification that the member has been reported as one of the parties being investigated in relation to an offence pursuant to article 335 of the Italian Penal Procedure Code and until a ruling of no case to answer is delivered pursuant to article 425 of the Italian Penal Procedure Code, or, in the case that proceedings go ahead, until a ruling of acquittal is delivered pursuant to article 529 and 530 of the Italian Penal Procedure Code; this situation of incompatibility is applicable only to criminal procedures for actions referred to in the previous point.

The appointment must provide for the duration of the office, which is for a fixed term and normally for a three year period coinciding with the mandate from the Board of Directors which appoints the Supervisory Body.

The appointment must also provide for remuneration to be paid, except in the case that employees or managers of departments are invested for which the supervision of the adequacy and actual operation of the internal control system is a major part of their duties, since the Model, in accordance with the most authoritative doctrine, is an integral part of the internal control system.

Members of the Supervisory Body can leave office due to resignation, being rendered unable, or upon death or revocation.

Members of the Supervisory Body may have their office revoked:

- in the case of repeated non-fulfilment of their duties, or through unjustified inactivity;
- in the case of a breach of the current obligation of confidentiality regarding the data and information of which a member might become aware as a result of the role carried out;
- in the case of prohibitory sanctions being imposed against the Consortium due to the inactivity of its members;
- when breaches of the Model by parties held to respect it are uncovered and parties have failed to report such breaches and failed to check the suitability and effective implementation of the Model for the purposes of proposing any modifications;
- if, after the appointment, any of the situations of incompatibility mentioned above arises.

Revocation of office is through a resolution by the Board of Directors, with the Board of Statutory Auditors being notified immediately.

In the event that a member of the Supervisory Body leaves office due to resignation, being deemed incompatible with such an office, death or revocation, the Chairperson of the Board of Directors will promptly notify the Board of Directors, in order to take the appropriate decisions without delay.

7.2 THE SUPERVISORY BODY'S ESSENTIAL REQUIREMENTS

In consideration of the specificity of the tasks that it is required to fulfil, the provisions of the Decree, and the indications in the Guidelines issued by Confindustria, the choice of an internal body equipped with autonomous powers of initiative and control was made in such a way as to ensure that the Supervisory Body has the requisites of autonomy, independence, professionalism, and continuity of action which the Decree itself requires for this delicate function.

Specifically, also in consideration of the aforementioned Guidelines, these requisites can be stated thus:

➤ **Autonomy:**

The Supervisory Body has autonomous decision-making powers.

The Body is autonomous with respect to the Consortium; that is, the Body is not involved in any way whatsoever in an operational activity, nor does the Body participate in any management activity. Furthermore, the Body is able to carry out its role without direct or indirect influence from the supervised/controlled parties. The activities carried out by the Supervisory Body cannot be inspected or examined by any other company body or organisation.

The Body is, moreover, autonomous in the regulatory sense, that is, it is able to determine its own rules of behaviour and procedures within the scope of the powers and functions determined by the Board of Directors.

➤ **Independence:**

The Supervisory Body's independence is a necessary condition in order to avoid being subject to or answerable to the Consortium. Independence is achieved through proper and appropriate hierarchical positioning.

➤ **Professionalism:**

The Supervisory Body is professionally able and reliable.

Overall, therefore, the requirements of technical and professional suitability to the functions which the Body is called on to perform must be guaranteed; legal, accounting, and organisation skills and abilities are also necessary.

Specifically, certain specific abilities must be guaranteed in inspection, auditing and consulting activities, such as, for example, skills regarding statistical sampling, analysis techniques, risk assessment, interviewing and questionnaire processing techniques, as well as methodologies for detecting fraud.

These characteristics, combined with independence, ensure objectivity of judgement.

➤ **Continuity of action:**

In order to guarantee the effective and constant implementation of the Model, the Supervisory Body works without interruption. The Supervisory Body, therefore, in the operational solutions adopted, guarantees a prevailing commitment, even if not necessarily exclusive, which is suitable, in any case, to performing its institutional tasks effectively and efficiently.

7.3 THE ORGANISATIONAL POSITIONING OF THE SUPERVISORY BODY

Article 6 of Italian Legislative Decree no. 231/2001 requires that the Supervisory Body be within the Consortium itself, being part of the organisation chart. Only in this way can the Supervisory Body be made aware of the Consortium's activities and carry out the necessary coordination with the other corporate bodies. Likewise, only the inherent nature of the Supervisory Body can guarantee the necessary continuity of action.

The Supervisory Body is a *staff function* to the Board of Directors and is appointed by it. In order to further ensure the requirement of independence, the Supervisory Body is required to report to the Board of Statutory Auditors and keep it informed.

Constant information flows between the Supervisory Body and the Board of Directors are also guaranteed through the inherent nature of the Consortium and by virtue of the organisational positioning of the Supervisory Body itself.

7.4 THE SUPERVISORY BODY'S FUNCTIONS

The Supervisory Body carries out those tasks envisaged by articles 6 and 7 of Italian Legislative Decree no. 231/2001 and, specifically, performs:

➤ **Supervision and control activities:**

The Supervisory Body's primary function regards the ongoing supervision of the operation of the Model adopted.

The Supervisory Body must supervise:

- compliance with the Model by Recipients of it, in relation to the various types of offences covered by the Decree;
- the actual effectiveness of the Model in relation to the corporate organisation and the effective ability to prevent those offences envisaged by the Italian Legislative Decree from being committed.

In order to adequately perform this important function, the Supervisory Body must carry out a periodic check of each individual area assessed as *sensitive*, verifying the effective adoption and proper application of the protocols, the preparation and regular keeping of the documentation envisaged by the same protocols, as well as the overall efficiency and operation of the measures and precautions adopted by the Model with regard to preventing and impeding any of the offences from being committed, as envisaged by Italian Legislative Decree no. 231/01.

Specifically the Supervisory Body has the task of:

- checking the effective adoption and proper application of the control protocols envisaged by the Model. It should be noted, however, that the control activities are delegated to the primary responsibility of operational management and are considered an integral part of each corporate process (“line control”), hence the importance of training personnel;
 - carrying out, including potentially through an external party, duly appointed for the purpose, periodic checks targeting certain operations or specific events, above all within the context of the sensitive activities, the results of which are to be summarised in a specific report whose contents will be made known as part of the communications to the corporate bodies, as described below;
 - collecting, handling and storing all relevant information regarding compliance with the Model;
 - monitoring the initiatives to disseminate knowledge and understanding of the Model.
- **Monitoring activities with reference to the implementation of the Code of Ethics:**

The Supervisory Body monitors the application of and the compliance with the Code of Ethics adopted by the Consortium’s Board of Directors.

The Supervisory Body supervises the dissemination, understanding, and implementation of the Code of Ethics.

The Supervisory Body proposes any need to update the Code to the Board of Directors.

➤ **Activities to adapt and update the Model:**

The Supervisory Body plays an important role - one that drives, proposes, and constructively criticises - since it assesses and technically determines the changes to be made to the Model, formulating suitable proposals for the Board of Directors to consider, which might become necessary as a result of:

- significant breaches of the adopted Model;
- significant modifications to the Consortium’s internal organisation, or the methods by which the corporate activities are carried out;
- significant modifications to the Consortium’s system of powers of attorney and mandates that lead to situations of incompatibility with the organisational structure outlined in the organisational Model;
- legislative changes, *in primis* following the legislative integration of the *numerus clausus* of the predicate crimes.

Specifically the Supervisory Body has the task of:

- carrying out reviews of the corporate activities for the purpose of updating the map of the sensitive activities;
- coordinating with the person in charge of this in order to schedule training for personnel and contractors;
- interpreting the relevant legislation on the matter of predicate crimes, as well as any Guidelines that might be prepared, including updates to the existing ones, and checking the suitability of the internal control system in relation to such legislation and relative Guidelines;
- checking whether the Model needs to be updated.

➤ **Reporting to the Consortium's bodies:**

The Supervisory Body reports on the implementation of the Model, the emergence of any critical aspects, and the need for modifications to be made. Distinct reporting lines from the Supervisory Body are provided for:

- it reports, on an ongoing basis, to the Directors;
- it presents, on a periodic basis but at least once a year, a report to the Directors.

Meetings with the corporate bodies and with the Board of Directors, to which the Supervisory Body reports, must be documented. The Supervisory Body is responsible for filing the relative documentation.

Specifically, the Supervisory Body prepares:

- an informational report, on a periodic basis (but at least once a year), regarding the activities carried out, to be presented to the Board of Directors and the Board of Statutory Auditors;
- written reports, on an ongoing basis, concerning timely and specific aspects of its activities, deemed particularly relevant and important in the context of the prevention and control activities, to be presented to the Board of Directors;
- an immediate notification regarding the occurrence of any extraordinary situation and, in the event of a report being received which is deemed urgent, to present this to the Directors.

The periodic reports prepared by the Supervisory Body are also drawn up in order to allow the Board of Directors to make the necessary assessments to make any updates to the Model and must contain, at the least:

- any issues that may have arisen regarding the implementation methods for the procedures envisaged by the Model or adopted in implementation of, or in the light of, the Model;
- a summary of any reports received from internal or external parties regarding the Model or the Group's Code of Ethics;

- the disciplinary procedures and any sanctions that may have been applied by the Company, with exclusive reference to the activities at risk;
- an overall assessment of the operation of the Model, with any proposals for supplements, corrections or modifications.

➤ **Information flow management activities:**

In order to facilitate the Supervisory Body's control and supervisory activities, systemic information flows to the Supervisory Body itself need to be established and guaranteed by using the email address: odc@corepla.it.

The information obligations to the Supervisory Body guarantee that the supervisory and control activities on the effectiveness of the Model can be performed in an orderly way and they concern, on a periodic basis, the information, data, and the specific parts detailed in the Special Sections, or otherwise further detailed by the Supervisory Body and/or which are requested by the Consortium's individual functions.

This information must be sent within the deadlines and in the ways defined in detail in the Special Sections or which are defined by the Supervisory Body (the so-called *information flows*).

The information obligations to the Supervisory Body also concern, on an occasional basis, any further information, of any type whatsoever, provided that it pertains to the implementation of the Model in the areas of sensitive activities and in compliance with the Decree, that might be useful to the Supervisory Body in fulfilling its tasks and, in particular, by virtue of them being mandatory:

- any information regarding the actual implementation, at every level in the organisation, of the Model, with evidence of any sanctions applied, or the methods of filing or archiving the sanctions proceedings, with the relative reasons;
- the emergence of any new risks in those areas managed by the various managers;
- any reports or notifications that may have been made by the various managers in the context of their control activity, from which facts, events or omissions may arise, with respect to compliance with the Decree or the Model;
- any anomalies, atypical situations or results of the control activities done by the corporate functions to implement the Model;
- measures and/or information coming from a judicial police body, or any other public authority, which indicate that an investigation is being carried out into an offence or offences envisaged by the Decree, even if initiated against persons unknown;
- internal reports from which liability emerges for an offence;
- reports or requests for legal assistance made to the Consortium by *senior* personnel or individuals *under another party's management* in the case that

legal proceedings are initiated against them in relation to one of the offences envisaged by the Decree;

- reports made by *senior* personnel or individuals *under another party's management* of alleged breaches of non-fulfilment of the specific behavioural precepts, or of any suspicious behaviour with reference to the predicate crimes envisaged by the Decree;
- reports of alleged breaches or non-fulfilment of the Model, the Code of Ethics or the specific behavioural precepts, or of any suspicious behaviour with reference to the predicate crimes, made by an external party;
- reports made by contractors, consultants or, in general, any party that carries out an autonomous work activity, by suppliers or by partners (including in the form of a temporary association of companies, including employment agencies and joint ventures) and, more in general, by anyone who operates in a relevant and/or continuous way in the context of the areas of activity considered to be *sensitive* on behalf or in the interests of the Consortium.

With reference to the methods by which *senior* personnel or individuals *under another party's management* may submit a report, it should be noted that the obligation of notifying the Employer of any behaviour which runs counter to the adopted Model falls within the individual's broader duty of diligence and obligation of loyalty towards the Employer. With regard to *partners*, consultants, external contractors, suppliers, etc., they are under a contractual obligation to notify the Company immediately in the event that they receive, directly or indirectly, a request from an employee/representative of the Company to behave in such a way that might lead to the Model being breached.

The *information flows* are filed by the Supervisory Body in an orderly, structured manner, electronically and/or with paper. The data and information filed are made available to parties outside of the Supervisory Body exclusively with the authorisation of the Supervisory Body itself, unless access is required by law.

7.5 THE SUPERVISORY BODY'S POWERS

The Supervisory Body's main powers are:

- self-regulation and definition of its internal operating procedures;
- supervision and control.

With reference to the powers of self-regulation and definition of its internal operating procedures, the Supervisory Body has exclusive responsibility with regard to:

- the way it documents its activities, its assessments, and decisions;
- the way it communicates and reports directly with each corporate structure, as well as the way it acquires information, data, and documentation on the corporate structures;

- the way it coordinates with the Board of Directors and with the Board of Statutory Auditors and the way it participates in meetings with the said bodies, on the initiative of the Body itself;
- the way it organises its supervisory and control activities, as well as the way it discloses the results of the activities carried out.

With reference to the power of supervision and control, the Supervisory Body:

- has free and unconditional access to every Consortium facility and location, without requiring any prior consent or authorisation, in order to obtain any information or data deemed necessary to carrying out the tasks envisaged by the Decree;
- may freely dispose, without any interference whatsoever, of its initial and period *budget*, in order to meet every need necessary to carrying out its tasks properly;
- may, if deemed necessary, make use of, under its direct supervision and responsibility, the assistance of any part of the Consortium's organisation;
- may, in the same way, make use of, in full decision-making autonomy and if specific skills and abilities are required and, in any case, in order to fulfil its tasks in a professional way, the operational support and cooperation of specific professionals from outside the Consortium, using its own period *budget*. In these cases, the external parties to the Supervisory Body operate as mere technical specialist parties providing consulting;
- may, having made the appropriate investigations and fact-finding initiatives, and having interviewed the author of the breach, report the event in accordance with the procedure envisaged by the disciplinary and sanctions system adopted pursuant to the Decree, it being understood that the formal dispute process and any application of a sanction is to be done by the Employer in the event that employees or executives or senior personnel are involved.

7.6 THE SUPERVISORY BODY'S BUDGET

In order to further strengthen the requirements of autonomy and independence, the Supervisory Body has an appropriate initial and period *budget*, approved in advance by the Board of Directors.

8 WHISTLEBLOWING

Article 2 of Italian Law no. 179 of 30 November 2017 modified article 6 of Italian Legislative Decree no. 231/2001, extending to the private sector the application of the provisions to protect employees who report unlawful activities (so-called *whistleblowers*).

Specifically, the new paragraph 2-bis of the law in question states that organisation, management and control models must provide for “*one or more channels that allow*

senior personnel or individuals under another party's management, to submit, in order to safeguard the entity's integrity, reports of unlawful behaviour, significant pursuant to this Decree and based on clear and consistent facts, or of breaches of the entity's organisation and management model, of which they become aware by virtue of the functions they perform".

These channels, reserved to personnel within COREPLA (employees, contractors, directors) must be able to guarantee the confidentiality of the reporting party's identity when managing the report received¹⁵ and at least one channel must allow reports to be made "by means of information technology".

With reference to reports made by senior personnel or individuals under another party's management of alleged breaches or non-fulfilment of specific behavioural precepts, or any suspicious behaviour with reference to the predicate crimes of corporate liability pursuant to Italian Legislative Decree no. 231/2001, the following provisions apply:

- reports must be made in writing and must specify, in the subject, the nature of the report (whistleblowing);
- reports must be sent anonymously by the reporting party directly to the Supervisory Body, preferably by email to odc@corepla.it; the inbox at odc@corepla.it is password-protected and only accessible by the Supervisory Body and the Internal Audit team which represents the operational arm of the Supervisory Body;
- alternatively, reports can be sent to the Internal Audit Manager in accordance with the methods chosen by the reporting party (by email, telephone, post or in person); where reports are received by the Internal Audit Manager, he/she notifies the Supervisory Body promptly, for their assessment;
- if all the members of the Supervisory Body and also the Internal Audit Manager should be, or be considered to be, parties potentially in conflict, the reporting party may make the report exclusively by email for the attention of the Chairperson of the Board of Directors. It will then be the Chairperson's task to assess the report and to take any necessary decisions to define the actions to take to analyse and manage the report;
- the Supervisory Body assesses each report received, acting in such a way as to guarantee that the reporting party is protected from any form of retaliation, discrimination or penalisation or any other consequence as a result of making the report and ensuring the reporting party's identity remains confidential, without prejudice to legal obligations and safeguarding the Company's rights or those of the person or persons accused in bad faith;
- every Recipient of the Organisation, Management and Control Model is required to cooperate with the Supervisory Body in order to allow all the information to be

¹⁵ The reports made remain confidential until a public prosecutor handles the case reported: when the investigation is closed and the suspect is indicted, the name of the reporting party will be known by all those affected by the criminal proceedings.

- collected which is deemed necessary for a proper and full assessment of a report to be made;
- reports are to be filed by the Supervisory Body in such a way as to safeguard the confidentiality of the reporting party's identity;
 - COREPLA will sanction any unlawful behaviour that might emerge following the verification activity of a report. If, from the results of the investigation phase:
 - reports emerge which have been made in bad faith: the Chairperson of the Board of Directors proposes any action to take against the reporting party, monitors the implementation of such action, and ensures that the party about which a report was made is promptly informed;
 - alleged unlawful or irregular behaviour by one or more employees is highlighted; in this case, the Supervisory Body forwards the results of the verification activity to the Chairperson of the Board of Directors who takes the appropriate disciplinary measures, in accordance with the chapter, "Sanctions System", the disciplinary procedures in place, and the Collective Labour Contract or any other national laws or regulations applicable to the party who:
 - i) is found to be responsible for a breach which is relevant pursuant to the Code of Ethics as well as the Organisation, Management and Control Model pursuant to Italian Legislative Decree no. 231/2001;
 - ii) voluntarily fails to detect or report any breaches or threats or acts of retaliation against others who report breaches. The disciplinary measures will be proportional to the extent and seriousness of the ascertained unlawful behaviour and may go as far as the termination of the employment relationship.

The personal data collected as part of the reporting procedure will be processed in compliance with current legislation (Italian Legislative Decree no. 196/2003, as amended, including in relation to the modifications made by EU Regulation no. 679/2016).

Specifically, the Controller's (in terms of processing personal data) legitimate interests are given by its interest in the proper functioning of its organisation and in reporting unlawful behaviour, whilst the legal basis for processing such data is the specific legislation concerning reporting unlawful behaviour.

As regards retaining personal data, data will be kept until the procedure has been duly completed, without prejudice to legal requirements.

Any party who believes that they have suffered any discrimination due to the fact that they made a report of unlawful behaviour, must provide detailed information about the discrimination experienced to the Supervisory Body who, having assessed the existence of the circumstances, may report the discrimination:

- a) to the manager of the department in which the party who allegedly discriminated against the reporting party works and this manager will promptly assess the opportunity and/or the need to adopt all the actions or measures to restore the situation and/or to remedy the negative effects of the discrimination and the existence of the details in order to open disciplinary proceedings against the party responsible for the discrimination;

- b) to the Chairperson of the Board of Directors, if the party responsible for the discrimination is an executive of the Company;
- c) to the Italian Public Prosecutor's Office, if the situation involves criminally relevant facts.

In order to avoid a distorted use of the whistleblowing channels, sanctions are set out below to be applied to anyone who, through wilful misconduct or gross negligence, makes a report which turns out to be groundless.

9 THE SANCTIONS SYSTEM

9.1 THE AIM OF THE SANCTIONS SYSTEM

Obtaining the Consortium's exemption (from liability) pursuant to article 6, paragraph I, letter e) of Italian Legislative Decree no. 231/2001 is subject to the definition of an adequate sanctions system for breaches of the Principles, Procedures and, in general, the provisions of the Model.

The predetermination of a system of sanctions for breaches of the Model and of a procedural system for these sanctions to be applied creates the deterrence of the sanctions system and guarantees the effective implementation of the Model and the effectiveness of the Supervisory Body's supervisory activities.

In consideration of the principles of timeliness and immediacy, the application of the disciplinary sanctions excludes the conclusion of any criminal proceedings that may have been initiated against a "regular" employee or an executive in the event that their behaviour constitutes a criminal offence.

9.2 MEASURES AGAINST EMPLOYEES

A breach of the Principles, the Procedures or the provisions of the Model by an employee of COREPLA constitutes a disciplinary offence, sanctioned in compliance with the disciplinary system outlined by the National Collective Bargaining Agreement for the Rubber and Plastics Industry in Italy (*Contratto Collettivo Nazionale di Lavoro Gomma e Plastica Industria, CCNL*) applied by the Consortium and the procedures provided for by article 7 of Italian Law no. 300 of 30 May 1970, (the Workers' Statute).

Compliance with the Model is, in fact, part of the employee's more general duties to comply with the company's instructions and to act in accordance with the interests of COREPLA.

In respect of this principle, an employee's behaviour, whether active or through omission, that does not comply with the Model or which is in breach of the same, will be sanctioned.

The aforementioned behaviour will be punished on the basis of the seriousness of the individual shortcomings and commensurate with:

- the employee's degree of autonomy and responsibility;
- the degree to which the behaviour is intentional or negligent, imprudent or inexperienced;
- the seriousness of the risk to which COREPLA is exposed as a result of the behaviour;
- the employee's overall behaviour, with particular regard to any previous disciplinary proceedings against them (within the limits referred to in article 53 of the CCNL) and the behaviour following the event.

The disciplinary measures that may be applied, in accordance with the declared list under article 53 and following of the CCNL, are:

- a) a verbal warning;
- b) a written warning;
- c) a fine of up to 3 hours of pay and contingency allowances;
- d) suspension from work for up to 3 days;
- e) dismissal for misconduct.

Specifically:

(a) the verbal warning is applicable to the employee as a result of:

- a slight breach due to non-compliance with internal procedures, with behavioural principles or with the control protocols envisaged by the Model.

(b) the written warning is applicable to the employee as a result of:

- a breach due to non-compliance with internal procedures, with behavioural principles or with the control protocols envisaged by the Model which is more serious than a breach meriting a verbal warning;
- behaviour which tolerates uncovered service irregularity by parties subject to the employee's management;

c) the fine of up to 3 hours of pay and contingency allowances is applicable to the employee as a result of:

- a negligent breach of the internal procedures, the behavioural principles or the control protocols envisaged by the Model, which has resulted in minor damage or injury to the Consortium;

d) the suspension from work for up to 3 days is applicable to the employee as a result of:

- a negligent breach of the internal procedures, the behavioural principles or the control protocols envisaged by the Model, which has resulted in minor damage or

injury to the Consortium and which is more serious than a breach meriting a fine of up to 3 hours of pay and contingency allowances;

- repeated behaviour which tolerates uncovered service irregularity by parties subject to the employee's management;

e) dismissal for misconduct is applicable to the employee as a result of:

- recidivism in any of the breaches listed above and following which the sanctions of a fine or suspension have already been imposed;
- a breach of the internal procedures, the behavioural principles or the control protocols envisaged by the Model which has resulted in serious moral or material damage or injury to the Consortium,
- conviction, with a final judgement, including a ruling issued pursuant to article 444 of the Italian Penal Procedure Code for one of the predicate crimes envisaged by Italian Legislative Decree no. 231/01 and, in any case, for which, given its nature, the continuation of the employment relationship is rendered incompatible.

Ascertaining a breach, the disciplinary procedure, and the application of sanctions remain the responsibility of the Board of Directors, or of those parties duly delegated in accordance with COREPLA's system of powers of attorney and mandates. The Supervisory Body is required to notify the Board of Directors of any breach uncovered in carrying out its supervisory activity.

Filing any disciplinary procedure connected with a breach of the Model or with the application of a sanction, is subject to the prior and comprehensive information provided by the Supervisory Body. This is the case even if the disciplinary procedure has already been opened following a report from the same Supervisory Body.

In compliance with the labour law principles of the type and awareness of the breaches subject to disciplinary sanctions, the Code of Ethics and the provisions in the Model are formally and promptly declared as being binding on every employee through an internal circular, as well as being brought to the attention of every employee, as provided for by the Workers' Statute.

The HR Manager, in collaboration with the Supervisory Body, has the task of promptly ensuring that all personnel are made aware of any modifications or supplements to the Model.

This is, in any case, without prejudice to the employee's obligation to compensate COREPLA for any injury or damage caused by his/her contrary behaviour to the provisions in the Model.

In accordance with the disciplinary procedure laid out in the Workers' Statute, the applicable CCNL, as well as every other legislative and regulatory provision on the subject, the worker who is responsible for actions or omissions which run contrary to the provisions contained in Italian Law no. 179 of 30 November 2017 (the so-called Law on *whistleblowing*), taking account of the seriousness and/or repeated nature of the conduct, will be subject to the sanctions provided for therein.

9.3 MEASURES AGAINST EXECUTIVES

COREPLA executives are required, *in primis*, to behave in compliance with the provisions of the Model, in consideration of their level of responsibility and the tasks assigned to them, their autonomy and decision-making discretion, and the accentuated element of trust placed in them as a particular feature of the employment relationship.

Particularly serious breaches in the performance of the activities in the so-called *sensitive* areas, yet not so serious as to lead to the measures envisaged by Italian Legislative Decree no. 231/01 being applied to the Consortium, will be reprimanded appropriately and will lead to the application of the sanctions mechanisms provided for by the CCNL for trade executives.

Particularly serious breaches that might lead to the application of the measures envisaged by Italian Legislative Decree no. 231/01 being applied to the Consortium, and which, in any case, lead to serious doubts in the level of trust placed in an executive, will result in the termination of the relationship pursuant to article 22 of the CCNL. This circumstance also includes breaches of the measures used to safeguard someone making a report (a *whistleblower*), as well as the conduct of those who, through wilful misconduct or gross negligence, make reports (*whistleblowing*) which are found to be groundless.

The Supervisory Body is kept adequately informed of any proceedings under way against an executive and will provide a prior opinion on the measures to be adopted.

This is, in any case, without prejudice to the executive's obligation to compensate COREPLA for any injury or damage caused by his/her contrary behaviour to the provisions in the Model.

9.4 MEASURES AGAINST DIRECTORS

Directors, in their capacity as members of the Consortium's administrative body, are required, as a matter of priority, to comply with the provisions of the Model and to ensure that they are duly respected and followed.

A breach of the principles or the measures envisaged by the Model, as well as, specifically, the failure to fulfil the obligations of management or supervision over the proper application of the same by a Director will be reprimanded appropriately in relation to the severity of the breach and will give rise to the application of sanctions as provided for by law, constituting, in cases of a conviction for one or more of the predicate crimes indicated in this Model, legitimate grounds to revoke the Director's office for just cause.

This is, in any case, without prejudice to the Director's obligation to compensate COREPLA for any injury or damage caused by his/her contrary behaviour to the provisions in the Model.

9.5 MEASURES AGAINST CONTRACTUAL COUNTERPARTIES

In accordance with the Code of Ethics, “the obligation to adhere to the Principles of Behaviour is extended to those third parties with which COREPLA maintains a professional relationship, for those parts which directly impact their activities; compliance with the Principles of Behaviour is a fundamental requirement to establishing and to maintaining a relationship with a third party”.

In contracts agreed with COREPLA, specific clauses will be introduced aimed at making parties who work with the Consortium aware of its Code of Ethics and its Model and at requiring third parties, to the extent applicable, to adapt their behaviour to comply with the Code of Ethics and the Model at the risk of having the contract terminated as a result of a breach of greater seriousness.

Particular rigour will be applied with regard to contracts that involve expenditure in the name of COREPLA or the granting of powers of representation, in order to safeguard COREPLA’s reputation and standing.

This is, in any case, without prejudice to the contractual counterparty’s obligation to compensate COREPLA for any injury or damage caused by their contrary behaviour to the provisions of the Model.

10 IMPLEMENTING THE MODEL

10.1 TRAINING PERSONNEL

It has already been highlighted that the adoption of the Model must not be “reduced to a *one-off* activity, but must be treated as a continuous process” (Confindustria Guidelines).

It is also essential that adapting behaviour to be compliant with the Model does not come from the simple need to comply with the obligations imposed by law, but from the conviction to adhere to the said behaviour because *in itself* the behaviour is fair and correct.

In the crucial phase of implementing the Model, training personnel (executives and “regular” employees) is of fundamental importance.

Communications to personnel must deal with both the Principles of Behaviour as well as the specific tools to prevent offences from being committed.

It must be: widespread, effective, authoritative (that is, it needs to come from a suitable level within the company), clear and detailed, periodically repeated, specifically aimed at personnel involved in activities at risk, with the aim of illustrating the reasons for which, beyond the legal one, the rules have been introduced and how they are to be implemented effectively.

Personnel training aimed at spreading knowledge of the legislation introduced by Italian Legislative Decree no. 231/2001, of the Principles of Behaviour, of the rules to follow regarding *whistleblowing* and the specific tools to prevent offences from being committed which have been adopted by COREPLA are the specific subjects of any Training Plan, prepared annually and delivered to internal personnel or with the assistance of external specialists.

Training will be recorded in the dedicated Personnel Training Record.

Disseminating knowledge of the Model is of the greatest importance when hiring and inducting personnel into COREPLA.

10.2 DISSEMINATING THE MODEL

COREPLA undertakes to spread knowledge and understanding of its Organisation, Management and Control Model with regard to every Recipient of the same.

To this end, when establishing an employment relationship, a training session will be organised with the employee in order to explain the contents of the Model and the Code of Ethics, with specific reference being made to the importance of the Principles referred to in them as supplemental elements of the required duties of diligence and professionalism.

The Model, in its updated version, together with the Code of Ethics, is available from COREPLA's website and internal corporate network (intranet). In addition, news of its adoption will be released to the public through the most appropriate means for this purpose.

Specifically, knowledge of the Model outside of COREPLA is ensured by the company's institutional website, through which the following are made available: the composition of the Consortium's corporate bodies and its organisation chart, the Code of Ethics, the Articles of Association, and the implementation Regulation.