ILPRA®
PACKAGING SOLUTIONS

Organisation, Management and Control Model

Pursuant to Legislativ Decree No. 231of 8 giugno 2001

Version 1 approved by resolution of the Board of Directors on 30 March 2026

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2. ***Risk Assessment and Gap Analysis***
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DEFINITIONS

Decree	Legislative Decree No. 231 of 8 June 2001, as subsequently amended and supplemented, governing the administrative liability of Entities.
Model	the Organisation, Management and Control Model pursuant to Legislative Decree No. 231/2001 adopted by ILPRA S.p.A. (hereinafter also "ILPRA").
Company	ILPRA S.p.A.
Sensitive Areas	the areas of business activity in which there is a greater risk of commission of one of the offences or unlawful acts provided for under Legislative Decree No. 231/2001, as subsequently amended and supplemented.
Sensitive Activities	the business activities identified within the Sensitive Areas that present a greater risk of commission of one of the predicate offences provided for under Legislative Decree No. 231/2001, as subsequently amended and supplemented.
Recipients	the Directors, Employees and, more generally, all those who act in various capacities in the name and on behalf of ILPRA S.p.A. or who are otherwise connected to the Company through a permanent or temporary relationship (Consultants, Agents, Suppliers).
Employees	all ILPRA Employees, regardless of the applicable contract, professional qualification and/or recognised employment classification.
Third Parties	all those connected to ILPRA through a permanent or temporary relationship (Consultants, Agents, Suppliers, Partners), who on some occasions act in the name and on behalf of the Company.
Customer	any natural or legal person entering into a legal relationship with ILPRA S.p.A. for the purpose of purchasing machinery or obtaining a service (e.g. maintenance) offered by the Company.
Offences	offences whose commission is covered by Legislative Decree No. 231/01 for the purposes of the direct liability of Entities, or offences which, although not mentioned in the Decree, expressly entail the liability of Entities pursuant to Legislative Decree No. 231/01.

- GENERAL SECTION -

1. LEGISLATIVE DECREE NO. 231 OF 8 JUNE 2001

1.1 THE LIABILITY REGIME INTRODUCED BY LEGISLATIVE DECREE 231/2001

Legislative Decree No. 231 of 8 June 2001, concerning the "Regulation of the administrative liability of legal persons, companies and associations, including those without legal personality" (hereinafter also "Legislative Decree 231/01" or the "Decree"), implementing Article 11 of Enabling Law No. 300 of 29 September 2000, introduced into the Italian legal system the administrative liability of entities, namely commercial companies, including incorporated companies and partnerships, and associations, including those without legal personality.

By adopting the Decree, the Italian legislature sought to bring domestic legislation on the liability of legal persons into line with certain international conventions, including the Brussels Convention of 26 July 1995 on the protection of the financial interests of the European Communities, the Brussels Convention of 26 May 1997 on combating corruption, and the OECD Convention of 17 December 1997 on combating bribery of foreign public officials in international business transactions.

Although described as "administrative" by the legislature, this new form of liability has characteristics of criminal liability, since the determination of the offences giving rise to it falls within the jurisdiction of the competent criminal court and the same procedural safeguards applicable in criminal proceedings are extended to entities.

This "tertium genus" of liability arises from the commission of offences expressly provided for under Legislative Decree 231/01, committed in the interest or to the advantage of the entity itself by (i) natural persons performing representative, administrative or managerial functions within the entity or one of its organisational units having financial and operational autonomy; (ii) natural persons who exercise, including de facto, management and control over the entity ("apical persons"); and (iii) natural or legal persons subjected to the management or supervision of an apical person ("persons subjected to the management or supervision of an apical person").

Specifically, apical persons must be identified by reference to the functions they actually perform within the business and therefore their ability to exercise significant influence over the entity or one of its operating units. Persons subjected to the management or supervision of an apical person include those connected to the entity by an employment or quasi-employment relationship, as well as Third Parties (such as Suppliers or Consultants).

Accordingly, these provisions seek to hold Entities accountable for offences covered by the Decree that are committed in their interest (in the context of their adopted business policy) or to their advantage (with a view to obtaining a financial benefit from the offence). The entity's liability is therefore additional to that of the natural person who actually committed the offence.

1.2 Offences covered by the Decree

The liability of entities, by virtue of the principle of strict statutory definition characterising Legislative Decree 231/2001 and the criminal justice system as a whole, is limited to the offences specifically and expressly identified in the Decree or in special laws referring to the same legislative framework. Application by analogy or broad interpretation is therefore not permitted.

Over the years, the legislature has considerably expanded the catalogue of predicate offences. The Decree currently provides for several categories of offences, listed below. Annex 3 to this document contains a detailed list of the individual offences within each category:

- Unlawful receipt of funds, fraud against the State or a public body or for the purpose of obtaining public funding, computer fraud against the State or a public body, and fraud in public procurement (Article 24)
- Computer crimes and unlawful processing of data (Article 24-bis)
- Organised crime offences (Article 24-ter)
- Embezzlement, improper allocation of money or movable property, extortion by a public official, undue inducement to give or promise benefits, and corruption (Article 25)
- Counterfeiting of currency, public credit instruments, revenue stamps, and identification instruments or marks (Article 25-bis)
- Offences against industry and trade (Article 25-bis.1)
- Corporate offences (Article 25-ter)
- Offences committed for purposes of terrorism or subversion of the democratic order under the Italian Criminal Code and special laws (Article 25-quater)
- Female genital mutilation practices (Article 25-quater.1)
- Offences against individual personality (Article 25-quinquies)
- Market abuse offences (Article 25-sexies)
- Manslaughter and serious or very serious negligent bodily injury committed in breach of accident-prevention and workplace health and safety legislation (Article 25-septies)
- Receiving stolen goods, money laundering and use of money, assets or benefits of unlawful origin, as well as self-laundering and fraudulent transfer of assets (Article 25-octies)
- Offences involving payment instruments other than cash (Article 25-octies.1)
- Offences involving breaches of European Union restrictive measures (Article 25-octies.2)
- Copyright infringement offences (Article 25-novies)
- Inducing a person not to make statements, or to make false statements, to the judicial authorities (Article 25-decies)
- Environmental offences (Article 25-undecies)
- Employment of third-country nationals whose stay is irregular (Article 25-duodecies)
- Racism and xenophobia offences (Article 25-terdecies)
- Fraud in sporting competitions, unlawful operation of gambling or betting activities, and gambling conducted using prohibited machines (Article 25-quaterdecies)
- Tax offences (Article 25-quinquiesdecies)
- Smuggling (Article 25-sexiesdecies)

- Offences against cultural heritage (Article 25-septiesdecies)
- Laundering of cultural property and destruction and looting of cultural and landscape heritage (Article 25-duodevicies)

Transnational offences (Law No. 146/2006)

1.3 THE SANCTIONS SYSTEM

Legislative Decree 231/01 establishes a sanctions system comprising four types of administrative penalties, applied according to the offence committed:

- **financial penalties:** always imposed where an administrative offence arises from a criminal offence. Financial penalties are calculated using a system of units, the number and value of which are determined by the Court (ranging from approximately €25,000 to approximately €1.5 million).
  In addition to the unit-based system, national legislation transposing Directive (EU) 2024/1226 has introduced, for certain infringements, criteria for calculating administrative financial penalties as a percentage of the entity's annual turnover, including on a consolidated basis, in accordance with the principles of effectiveness, proportionality and deterrence;
- **disqualification measures:** applicable only in cases expressly provided for by the Decree and where one of the conditions specified in Article 12 of Legislative Decree 231/01 is met:
  - the entity has obtained a substantial profit from the offence and the offence was committed by apical persons or by persons subject to the direction of others where, in the latter case, the commission of the offence was caused or facilitated by serious organisational deficiencies;
  - where offences are repeated;

  The disqualification measures provided for by the Decree are: (i) prohibition from carrying on business activities; (ii) suspension or revocation of authorisations, licences or concessions instrumental to the commission of the offence; (iii) prohibition from contracting with the Public Administration, except for the purpose of obtaining the provision of a public service ; (iv) exclusion from benefits, financing, contributions or subsidies, and possible revocation of those already granted; and (v) prohibition from advertising goods or services.
  These measures are temporary, although exceptionally they may be imposed permanently, and concern the specific activity of the entity to which the offence relates.
  They may also be imposed as precautionary measures before a conviction where there is substantial evidence of the entity's liability and specific, well-founded grounds indicating a concrete risk that further offences of the same nature as the offence under investigation will be committed.
  Legislative Decree 231/01 also provides that, where the conditions for imposing a disqualification measure are met, the Court may, instead of imposing that measure, order that the business continue to operate under a court-appointed administrator (Article 15) for a period equal to the duration of the measure that would otherwise

have been imposed, provided that at least one of the following circumstances applies:
  - the entity provides a public service or a service of public necessity whose interruption could cause serious harm to the community;
  - interruption of the activity could have significant consequences for employment, taking into account the size of the entity and the economic conditions of the area in which it is located;
- **confiscation of the proceeds of the offence:** always ordered in the event of conviction, covering the consideration and/or proceeds of the offence, or assets and other benefits of equivalent value;
- **publication of the judgment:** may be ordered when the entity is subject to a disqualification measure. It consists of publication of the judgment once, in extract or in full, in one or more newspapers specified by the judge in the judgment, as well as posting it in the municipality where the entity has its principal office. Publication is carried out at the entity's expense.

1.4 Adoption of the "Organisation, Management and Control Model" as grounds for exemption from liability

In introducing the above liability regime, the legislature also provided, under Article 6 of Legislative Decree 231/01, for a specific exemption: where an offence has been committed by apical persons, the entity is not liable if it proves that:

a) before the offence was committed, it adopted and effectively implemented an Organisation, Management and Control Model suitable for preventing offences of the kind committed;
b) it entrusted an external body (the Supervisory Body), vested with independent powers of initiative and control, with responsibility for supervising the operation of and compliance with the Model and ensuring that it is updated;
c) the persons who committed the offence acted by fraudulently circumventing the provisions of the Model;
d) there was no failure to exercise supervision, or insufficient supervision, by the body referred to in point (b) above.

Where the offence is committed by an apical person, the burden of proving that the entity was not involved in the alleged conduct rests with the entity.

Where, however, the offence was committed by persons subjected to the management or supervision of apical persons, the entity is liable if the offence was made possible by the management bodies' failure to comply with their duties of direction or supervision (Article 7 of the Decree).

The entity's administrative liability is excluded where the entity demonstrates that it has fulfilled its duties of direction and supervision, namely that, before the offence was committed, it adopted and effectively implemented an Organisation, Management and Control Model suitable for preventing offences of the kind committed (Article 7(2) of the Decree).

Under the Decree, the Model must meet the following requirements:

1 identify the business activities in which offences could be committed;
2 establish specific protocols governing how the entity's decisions are formulated and implemented in relation to the offences to be prevented;
3 identify procedures for managing financial resources that are suitable for preventing the commission of such offences;
4 establish reporting obligations towards the body responsible for supervising the operation of and compliance with the Model;
5 introduce an internal disciplinary system suitable for sanctioning failures to comply with the measures set out in the Model.

The mere adoption of an Organisation, Management and Control Model is not in itself sufficient to exempt the entity from liability: the Model must also be suitable and effectively implemented.

This requirement may be met through:

a) periodic reviews of the Model, including amendments to the document where significant breaches of its provisions are identified or where changes occur in the organisation or business activities, or in legislation;
b) a disciplinary system suitable for sanctioning failures to comply with the measures set out in the Model.

Finally, the Decree expressly provides that the Organisation, Management and Control Model must be continuously monitored by a Supervisory Body (Organismo di Vigilanza, "OdV", hereinafter referred to as the "SB"), which verifies its adequacy and effectiveness.

1.5 SUPPLEMENTING THE LEGISLATION: TRADE ASSOCIATION GUIDLINES AND RELEVANT BEST PRACTICES

Under Article 6(3) of Legislative Decree 231/01, Organisation, Management and Control Models may be adopted on the basis of codes of conduct drawn up by representative trade associations and submitted to the Ministry of Justice, which may issue observations within 30 days on the suitability of the Models to prevent offences.

The first such association to draw up principles for preparing Models was Confindustria, which issued Guidelines in March 2002, subsequently amended in part and updated over the years (hereinafter also the "Guidelines"). All versions of Confindustria's Guidelines were subsequently considered adequate by the Ministry of Justice.

Many other trade associations subsequently prepared their own Guidelines, taking into account the principles established by legislation and the relevant best practices.

Further guidance on preparing and effectively implementing Organisation, Management and Control Models may be obtained, in addition to the above Guidelines, from other legislative sources (hard law) and soft-law instruments, including, for example:

- the Anti-Mafia Code (Law No. 161 of 17 October 2017), relevant to preventing infiltration by organised crime and criminal associations aimed at committing offences against the Public Administration;

- Annex 20 to the G20 Leaders' Declaration, namely the "G20 High Level Principles on Liability of Legal Persons for Corruption", adopted in Hamburg on 7–8 July 2017, and the UNCAC and OECD provisions referred to therein, with particular emphasis on combating corruption and the liability of legal persons;
- ISO 37001, "Anti-bribery management systems", which is essential for defining and implementing management systems aimed at combating bribery.

A common feature of all the best practices and references mentioned above is the importance attached to the effective implementation of preventive measures as a benchmark for compliance with the Decree.

For the development of the Organisation, Management and Control Model, the Guidelines identify the following project stages characterising the regulatory compliance programme:

- identifying risk areas, with the aim of establishing, through careful analysis of the business context, the areas or sectors of activity in which offences under Legislative Decree 231/01 could be committed and the ways in which they could occur;
- establishing a control system capable of preventing and reducing the identified risks of offences, by assessing the existing control system and the extent to which it meets the requirements of Legislative Decree 231/01.

The most important elements of the compliance programme, designed to ensure the Model's effectiveness, are:

- a code setting out ethical principles and rules of conduct that defines the leadership's absolute and ongoing commitment to legality and the establishment and enforcement of a zero-tolerance policy towards any breach of applicable statutory and regulatory provisions;
- a clearly defined, up-to-date, formalised and transparent organisational system, particularly regarding the allocation of responsibilities and hierarchical and functional reporting lines;
- authorisation and signatory powers consistent with assigned organisational and management responsibilities, with appropriate spending limits where necessary;
- manual and/or computerised procedures governing the performance of activities and providing for adequate controls;
- integrated control and monitoring systems that take account of all operational risks and are capable of providing timely notification of existing or emerging critical situations, particularly through financial and non-financial controls and due diligence on counterparties;
- timely, detailed, effective, authoritative, clear and comprehensive information and communication, together with appropriate staff training programmes and courses tailored to the different levels and categories of Recipients;
- systems for reporting unlawful conduct and breaches of the compliance programme, using suitable tools and procedures to protect the confidentiality of reporting persons, together with rules and disciplinary measures to prevent retaliation against them;

- continuous improvement programmes for the compliance system, including updates to risk assessments and preventive controls following changes in applicable legislation, the business, the organisation and/or the entity's processes.

In accordance with the relevant best practices, the compliance programme elements described above must be based on a set of general control principles, including:

- verifiability, traceability, consistency and appropriateness of every operation, transaction and action;
- segregation of functions and division of duties (no individual may independently manage every stage of a process);
- establishment, implementation and documentation of controls over processes and activities exposed to the risk of offences.

2. ILPRA S.P.A.

ILPRA was established in 1955 to design and manufacture reliable, state-of-the-art packaging machinery.

In 1970, it specialised exclusively in the production of packaging machinery and, in 1982, developed its first protective-atmosphere heat-sealing machine, which remains a leading product in the packaging market.

From 1982 onwards, the ILPRA brand expanded rapidly across Europe and internationally, thanks to continued investment in research and technological innovation, commercial investment, and the quality and reliability of its products.

Between 1995 and 2018, the company continued to expand abroad, opening various branches, as well as entering into agreements with foreign distributors.

Between 2015 and 2017, production was brought in-house and is carried out entirely in Italy at the two facilities in Mortara (Pavia).

Since its listing on Borsa Italiana in 2019, ILPRA has continued to expand the group by bringing together prestigious Italian businesses combining expertise, cutting-edge technology and customer focus.

Today, ILPRA is one of the leading operators in its market and offers a broad range of machinery and technological solutions designed to meet customer needs.

All machinery design and production is concentrated in Italy.

The Company operates under a traditional corporate governance and control system comprising a Board of Directors and a Board of Statutory Auditors; accounting audit functions are entrusted to an audit firm.

The Company's governing bodies are constituted as follows:

- Shareholders' Meeting;
- Board of Directors: nine members, comprising the Chair of the Board of Directors and eight directors, one of whom is independent;
- Board of Statutory Auditors: five members, comprising its Chair, two standing statutory auditors and two alternate statutory auditors;

The principal business functions are shown in an organisational chart approved by the Company, which also sets out hierarchical and reporting relationships.

The Company also has an established organisational structure for occupational health and safety and, in particular:

- the role of Employer (hereinafter also referred to as "DDL") is assigned to the Company's Chief Executive Officer;
- the Company has appointed an external Head of the Prevention and Protection Service (hereinafter also referred to as "RSPP") and two Safety Managers, one for each production site;
- the employees have also appointed a Workers' Health and Safety Representative (hereinafter also referred to as "RLS") in accordance with Article 47(2) of Legislative Decree 81/08;
- supervisors, first-aid personnel and fire-prevention and emergency personnel have been appointed;
- the Company has appointed an Occupational Physician (hereinafter also referred to as 'MC') who works with the Employer.

3. THE ILPRA S.P.A. MODEL

3.1 Purpose of the Organisation, Management and Control Model

ILPRA, recognising that adoption of the Model is not an obligation imposed by the Decree but an option available to each entity, has decided to adopt an Organisation, Management and Control Model. It considers the Model a valuable means of raising awareness among all the Company's stakeholders, with the aim of guiding their conduct in carrying out their activities towards propriety and transparency, thereby preventing the commission of offences covered by Legislative Decree 231/01.

The principal purpose of the Model is to establish a structured and coherent system of preventive protocols and subsequent monitoring activities designed to minimise the risk that predicate offences will be committed by persons connected with ILPRA in various capacities. This is achieved by identifying the so-called "risk areas", namely areas in which offences covered by the Decree could be committed.

In particular, the Company has decided to adopt the safeguards provided for by Legislative Decree 231/01 in order to:

a) further promote and reinforce an ethical culture within the Company, based on propriety and transparency in the conduct of business;
b) establish a mechanism enabling an ongoing process of analysis of business activities to identify areas in which the offences specified in the Decree could potentially arise;

c) introduce control principles with which the organisational system must comply, so as to prevent in practice the risk of predicate offences specified in the Decree being committed in the activities identified through the analysis of Sensitive Areas;
d) introduce a disciplinary system suitable for sanctioning non-compliance with the stated control principles.

The Company has therefore drawn up and approved a Code of Ethics and an Organisation, Management and Control Model and established a Supervisory Body responsible for monitoring the proper operation of, and compliance with, the Code and the Model, as provided for by Legislative Decree 231/01.

The stages involved in preparing the Model were as follows:

a) collection and analysis of relevant documentation concerning the Company's organisation and operations (e.g. organisational chart, Companies Register extract and formalised procedures), together with the scheduling of individual interviews with key officers responsible for all decision-making and control processes. These activities enabled the identification, in the Risk Assessment and Gap Analysis document, of the areas exposed to the risk of offences and the related improvement measures to be adopted;
b) development and definition of the Code of Ethics and the Organisation, Management and Control Model on the basis of the preceding stages and the strategic decisions of the Directors.

This Model is divided into a "General Section", containing:

- a summary of the provisions of Legislative Decree 231/01;
- a description of the risk areas, namely activities in which offences covered by the Decree may be committed, and the processes that may facilitate their commission;
- identification of the Supervisory Body and definition of its institutional duties;
- establishment of a system for reporting breaches of the Model and protecting reporting persons (in accordance with the formalised Whistleblowing Policy);
- provision for a specific disciplinary system to sanction non-compliance with the Model.

In addition to the General Section, a Special Section has been formalised, containing Preventive Protocols that identify the safeguards (principles of conduct and procedures) intended to prevent Recipients of the Model from committing offences covered by the Decree.

The latest versions of the following internal documents form an integral part of this Organisation, Management and Control Model:

- the Company's organisational chart;
- the system of delegated authority and powers of attorney formalised during Board of Directors meetings;
- the Risk Assessment Document and, more generally, all safeguards adopted pursuant to Legislative Decree 81/2008;
- documentation formalised in accordance with UNI EN ISO 9001:2015, particularly the procedures.

3.2 Adoption and Updating of the Model

Responsibility for adopting and effectively implementing the Model is expressly assigned by law to the Board of Directors. Accordingly, the Board retains authority to approve any updates to the Model by resolution, following the procedures established for its adoption.
The Supervisory Body, however, is responsible for promoting the necessary updates to the Model and its associated preventive measures, so that the Company makes any necessary or appropriate corrections and adjustments.
The Board of Directors, together with any organisational units established for this purpose, is responsible for updating and adapting the Model following changes in organisational structures or operating processes, significant breaches of the Model, or legislative amendments, taking into account the level of risk deemed acceptable.
Updates to the Model, including associated procedures, are communicated to Recipients through specific notices sent by email or published on the Company's website or network and, where appropriate, through information sessions explaining the most significant updates.
To ensure that the Model is updated and adapted promptly and effectively, amendments intended to correct clerical errors or errors concerning descriptive matters are delegated to the Chair of the Board of Directors, who must inform the Board at its next available meeting.
Descriptive amendments mean elements and information arising from decisions of the Management Body (e.g. changes to the organisational chart) or delegated functions (e.g. new procedures).
Per modifiche di carattere descrittivo si intendono elementi e informazioni che derivano da atti dell'Organo Dirigente (es. ridefinizione dell'Organigramma) o di funzioni delegate (es. nuove procedure).

3.3 Sensitive Areas and Offences Addressed by the Model

Analysis of the Company's activities identified the following Sensitive Areas for the purposes of Legislative Decree 231/01:

- Management of compliance obligations and relations with Public Bodies and Independent Administrative Authorities:
  - Applications for authorisations from the Public Administration (e.g. Single Environmental Authorisation, certificates of usability of the premises and permitted use, fire-prevention certificates);
  - Management of inspections;
  - Applications for and management of public funding;
  - Relations with customs authorities;
- Administrative and accounting management:
  - Management of accounting (general ledger, customers, suppliers and inventory);
  - Management of cash flows (payments and receipts);

  - Preparation of annual financial statements and periodic reports on the Company's economic and financial position;
  - Cash management;
  - Management of intragroup transactions;
- Procurement of goods and services:
  - Selection and management of suppliers;
  - Selection and management of consultants;
- Personnel selection, recruitment and management:
  - Employee selection and recruitment;
  - Employee management;
- Management of litigation and pre-litigation matters;
- Management of commercial activities:
  - Management of the sales process;
  - Management of gifts, sponsorships and other donations;
- Production management;
- Management of safeguards adopted to protect workers' health and safety pursuant to Legislative Decree 81/2008;
- Management of safeguards adopted to protect the environment;
- Tax management.

3.4 ILPRA's Code of Ethics

In addition to this Model, the Company has prepared a document known as the Code of Ethics, setting out the ethical values and principles underpinning all its business activities. The Code of Ethics (Annex 1) sets out principles and guidelines with which all stakeholders are required to comply in order to ensure transparency, propriety, integrity and professionalism in the Company's activities and the quality of the services it provides. Everyone who works within or on behalf of the Company must observe and ensure compliance with the Code of Ethics within the scope of their duties and responsibilities; this obligation is a fundamental element of their work.

Compliance with the principles laid down in the Code of Ethics and this Model is essential both to the Company's proper functioning and reliability and to protecting its reputation, image and know-how, all of which constitute vital assets for the Company's success and standing.

For this reason, the Company implements training and ongoing awareness-raising procedures concerning the Code of Ethics, thereby ensuring that all Recipients are fully familiar with and understand the document. Each Recipient is required to contribute to implementing and promoting the principles of the Code of Ethics and to report any breaches.

The members of the Board of Directors establish the Company's objectives by reference to the principles expressed in the Code of Ethics and in accordance with the provisions of this Model.

No Recipient may pursue corporate objectives in breach of applicable laws, particularly through the use of the Company's resources and assets.
Compliance with the Code of Ethics and, more generally, the Company's rules of conduct is expressly required of Employees and Third Parties having dealings with the Company.

4. THE SUPERVISORY BODY

4.1 Identification of the Supervisory Body

Pursuant to Article 6(1)(b) of the Decree, an entity is not liable under the provisions of the Decree if, among other conditions, 'the task of overseeing the functioning of and compliance with the models, and ensuring that they are updated, has been entrusted to a body within the entity vested with autonomous powers of initiative and control'.
The Decree therefore does not lay down specific, binding requirements concerning the composition of the supervisory body.
Having regard to the size of its organisation, ILPRA has opted for a collegiate Supervisory Body.
The Supervisory Body is independent and autonomous from the other Corporate Bodies, has no operational responsibilities and reports directly to the Board of Directors. Upon appointment, which is for a three-year term to ensure continuity of action, the Board of Directors determines the remuneration payable to the Supervisory Body.
When preparing the Company's budget, the Management Body approves an adequate allocation of financial resources proposed by the Supervisory Body itself. The Supervisory Body may use these resources for any needs arising from the proper performance of its duties (e.g. specialist advice, travel expenses, etc.). The Board of Directors may not amend the budget before the resolution renewing it.
In carrying out its functions, the Supervisory Body may, where necessary, make use of internal and external personnel under its direct supervision.
The functioning of the Supervisory Body is governed by Rules of Procedure approved by the Body itself at its first meeting following appointment.

4.2 Appointment, Replacement, Removal and Resignation of the Supervisory Body

The appointment, replacement and removal of the Supervisory Body are decided by resolution of the Board of Directors.
In particular, in accordance with the requirements of Legislative Decree 231/01 and the Confindustria Guidelines, membership of the Supervisory Body is subject to the following requirements:

- **autonomy and independence,** in that:
  - the supervisory activities carried out by the Supervisory Body are not subject to any form of interference by persons within ILPRA;

  - it reports directly to the Board of Directors, with the possibility of reporting directly to the Shareholders' Meeting and the Statutory Auditors;
  - it has no operational duties and does not participate in decisions or executive activities, thereby safeguarding and ensuring the objectivity of its judgement;
  - it is provided with adequate financial resources (a budget) necessary for the proper performance of its activities;
  - the Supervisory Body defines and adopts its own internal operating rules and draws up its own Rules of Procedure;
- **professional competence:** drawing on its own expertise both in inspection activities and analysis of the control system and in legal matters, the Supervisory Body may make use of internal resources and External Consultants;
- **continuity of action:** the Supervisory Body is required to monitor continuously the effective implementation of, and compliance with, the Model by its Recipients;
- **good standing and absence of conflicts of interest:** understood in the same terms as those prescribed by law for members of the Board of Directors and the Board of Statutory Auditors.

A person is ineligible for membership of the Supervisory Body if they have been convicted, even by a judgement that is not final, or have received a sentence upon application of a penalty agreed by the parties (the so-called 'plea bargain'), in Italy or abroad, for offences referred to in Legislative Decree 231/01 or other offences affecting professional integrity; or if they have been convicted, even by a judgement that is not final, and sentenced to a penalty entailing disqualification, including temporary disqualification, from public office or temporary disqualification from managerial positions in legal entities and businesses.

Replacement or removal of the Supervisory Body may take place only for just cause. The following constitute just cause:

- the emergence of a ground for ineligibility;
- established serious negligence in performing the duties associated with the appointment, or failure to exercise the relevant functions;
- Failure to exercise supervision, or inadequate supervision, by the Supervisory Body, as provided for in Article 6(1)(d) of Legislative Decree 231/01, evidenced by a final judgement convicting the Company under that Decree or by a judgement applying a penalty agreed by the parties (plea bargaining), where the case records establish the failure or inadequacy of supervision;
- termination of the employment relationship with the Company (where a member is an ILPRA employee);
- breach of confidentiality obligations concerning information obtained in the performance of the Supervisory Body's functions.

If removal takes place without just cause, the removed member may request immediate reinstatement.

In any event, upon expiry of the term of appointment, the member of the Supervisory Body retains their functions and powers until any reappointment or the appointment of a new Body (prorogatio).

Finally, a member of the Supervisory Body may resign at any time by giving at least 30 days' written notice to the Board of Directors by registered post with acknowledgement of receipt.
The Board of Directors shall appoint the new Supervisory Body at its first meeting and, in any event, within 60 days of the date of resignation.

4.3 Functions and Powers of the Supervisory Body

The Supervisory Body is entrusted with the following duties:

1. verifying whether the Model is adequate to prevent unlawful conduct and identify any breaches thereof;
2. verifying the effective implementation of the Model, namely whether actual conduct corresponds to that formally prescribed by the Model;
3. carrying out reviews of ILPRA's activities with a view to promoting updates to the mapping of Sensitive Activities;
4. proposing updates to the Model to improve its adequacy and effectiveness and, in any event, in cases of: (i) significant changes to ILPRA's internal organisation and/or the manner in which activities are performed; (ii) new or amended legislation; (iii) significant breaches of the Model's requirements;
5. collecting and retaining reports of conduct or situations that may be inconsistent with the provisions of the Model, even potentially, and of circumstances liable to facilitate the commission of offences or relating to offences already committed;
6. reporting periodically to the Board of Directors on the implementation of the Model and, in particular, on any critical issues identified;
7. promptly reporting any breaches of the Model to the Board of Directors;
8. ensuring information flows to the Board of Directors;
9. promoting the dissemination, knowledge and understanding of the Model, as well as training activities;
10. regulating its own operation through Rules of Procedure;
11. sharing the annual budget with the Management Body;
12. coordinating with the responsible persons to verify the effective implementation of safeguards adopted to protect workers' health and safety, so that controls under Legislative Decree 231/01 are properly integrated with those established under Legislative Decree 81/2008 and the legislation in force on occupational hygiene and safety;
13. verifying the effective application of the disciplinary system where breaches of the requirements are established;
14. promoting and monitoring initiatives designed to ensure that all Recipients have an adequate understanding of the safeguards adopted pursuant to Legislative Decree 231/01 (including through the involvement of External Consultants).

The Supervisory Body is vested with all powers necessary to ensure accurate and effective oversight of the functioning of, and compliance with, the Model.
Accordingly, by way of example only, the Supervisory Body is entitled to:

- draw on the assistance of any Company department or External Consultants;
- have unrestricted access, without prior consent or authorisation, to all functions, organisational units and records in order to obtain any information it considers necessary;
- carry out all reviews and inspections it considers necessary for the proper performance of its duties, including unannounced inspections;
- use the allocated financial resources whenever it considers appropriate (the Supervisory Body's budget, approved by resolution of the Board of Directors);
- arrange, where it considers appropriate, to hear from persons who may provide useful information or explanations concerning the conduct of the Company's activities or any malfunctions or breaches.

4.4 Information Flows

4.4.1 Information Flows from the Supervisory Body to the Company

As noted above, to ensure full autonomy and independence in carrying out its functions, the Supervisory Body communicates directly with the Company's Board of Directors.
In particular, the Supervisory Body reports to the Board of Directors on the status of implementation of the Model and the results of its supervisory activities as follows:

- Annually, the Supervisory Body submits a written report to the Board of Directors describing its monitoring activities, the critical issues identified and any corrective or improvement measures considered appropriate for implementing the Model. It also informs the Board of Statutory Auditors of the report's contents;
- where necessary, the Chair of the Board of Directors is informed of particularly significant activities undertaken by the Supervisory Body and any findings arising from them;
- occasionally, the Supervisory Body reports to the Board of Statutory Auditors where it considers this necessary in relation to alleged breaches by senior management or members of the Board of Directors. The Statutory Auditors may request information or clarification from the Supervisory Body regarding such alleged breaches.

The Supervisory Body may be convened at any time by either the Board of Directors or the Board of Statutory Auditors. It may also request to be heard by those bodies when it considers it appropriate to report on the functioning and effective implementation of the Model or on specific issues.
Meetings with the Corporate Bodies to which the Supervisory Body reports must be minuted. Copies of the minutes must be retained by the Supervisory Body and by the bodies involved.

4.4.2 Information Flows from the Company to the Supervisory Body

Legislative Decree 231/01 requires the adopted Model to establish specific reporting obligations on the part of the Company towards the Supervisory Body, enabling the latter to carry out its supervisory and verification activities.

In this regard, the following information must be communicated to the Supervisory Body:

- on a periodic basis, the reports and documentation required under the preventive protocols contained in the Special Section of the Model;
- information, data, reports and documents concerning departures and/or exceptions from Company procedures that are sensitive in relation to the commission of offences under Legislative Decree 231/01;
- any information, data, reports and documents considered useful and/or necessary for the Supervisory Body's verification activities, identified in advance by the Body itself and formally requested from the individual Functions;
- on an occasional basis, any other information of any kind concerning the implementation of the Model in areas of activity exposed to the risk of offences, as well as compliance with the provisions of the Decree, which may be useful for the Supervisory Body in performing its duties.

In addition to periodic information flows, the Supervisory Body must be informed of any critical issues arising in the implementation of this Model.

In particular, information concerning the following matters must be submitted to the Supervisory Body:

- measures and/or information originating from judicial police authorities or any other authority, including administrative authorities, involving the Company or apical persons and indicating that investigations are under way, including investigations against persons unknown, into offences under Legislative Decree 231/01, without prejudice to legally imposed confidentiality and secrecy obligations;
- requests for legal assistance submitted by Managers and/or Employees where legal proceedings are commenced in relation to offences covered by Legislative Decree 231/01;
- changes to the system of delegated authority and powers of attorney, amendments to the Articles of Association or changes to the Company's organisational chart;
- the outcomes of any action taken following a written report by the Supervisory Body in cases of established breaches of the Model, as well as disciplinary sanctions imposed for breaches of the Model and decisions to close cases without further action, together with the reasons for such decisions;
- reports of serious accidents (negligent homicide or serious or very serious injury caused by negligence, and in any event any accident resulting in a medical prognosis exceeding 40 days) involving Employees, Company Collaborators and, more generally, anyone with access to the Company's premises;
- alleged breaches of the Code of Ethics and the Organisation, Management and Control Model.

All information and documentation, including the reports required by the Model and notifications, collected by or received by the Supervisory Body in performing its institutional duties must be retained by that Body for ten years, unless otherwise provided by law.

5. REPORTING AND THE *WHISTLEBLOWING* PROCEDURE

Any breaches of the principles and rules laid down in the Code of Ethics and the Model must be promptly reported to the Supervisory Body by email to ODV@ilpra.com or in writing to ILPRA S.p.A., for the attention of the Supervisory Body, Via E. Mattei 21/23, 27036 Mortara (PV).

With regard to other breaches, and in order to give effective implementation to the legislative changes introduced by Directive (EU) 2019/1937 of the European Parliament and of the Council of 23 October 2019 and Legislative Decree 24/2023, the Company has established a system for managing reports of unlawful conduct that protects the identity and confidentiality of reporting persons. This includes specific disciplinary sanctions for any retaliatory acts or discriminatory conduct against reporting persons.

Accordingly, ILPRA has established a dedicated internal reporting channel and appointed an external Reporting Manager to whom any breaches must be reported.

Reports may be submitted through the online platform accessible from the Company's website. The platform is designed to safeguard the confidentiality of the identities of the reporting person, the person concerned by the report and any third parties involved; access is restricted to the Reporting Manager.

For a detailed explanation of the applicable rules, reference should be made to the 'Whistleblowing Procedure' adopted by the Company and published on its website.[1]

6. SANCTIONS SYSTEM

6.1 General Principles

A constituent element of the Model is the establishment of an adequate disciplinary system capable of sanctioning breaches of the Model itself, with a view to preventing the offences referred to in the Decree, and, more generally, breaches of the protocols provided for in the Model (see Article 6(2)(e) and Article 7(4)(b) of Legislative Decree 231/01).

The Company has therefore adopted this sanctions system in compliance with Legislative Decree 231/01. The system operates within the framework of applicable legislation and collective bargaining agreements and does not replace other Company regulations.

The initiation and conduct of disciplinary proceedings are governed by the provisions of the Workers' Statute and the National Collective Bargaining Agreement (CCNL) applicable within ILPRA.

ILPRA ensures that all Recipients are fully and effectively informed of the Model, including by displaying it on the Company noticeboard.

[1]The procedure is available at https://corporate.ilpra.com/governance/whistle-blowing/

6.2 Persons Subject to the Disciplinary System

First and foremost, members of the Corporate Bodies are subject to the sanctions system established by this Model.

Recipients also include the Company's Employees, irrespective of the type of employment relationship established with the Company, Consultants, Collaborators in any capacity, Agents, persons performing occupational health and safety functions, and Suppliers.

6.3 Relevant Conduct

Any conduct, including omissions, that may intentionally or negligently undermine the effectiveness of the Code of Ethics and the Organisation, Management and Control Model is considered a breach.

Examples of breaches include, without limitation, the following conduct:

- failure to comply with the provisions of the Model through conduct inconsistent with the principles formally established to safeguard the so-called 'Sensitive Activities';
- repeatedly engaging in non-compliant conduct when carrying out activities in risk areas, where such conduct amounts to a refusal to comply with instructions concerning obligations arising from the Code of Ethics and the Model;
- engaging in conduct in risk areas that is contrary to ILPRA's interests and exposes the Company to the risk of commission of one or more offences under the Decree;
- engaging in conduct in risk areas that manifestly breaches the provisions of the Code of Ethics and the Model, resulting in the commission of one or more offences under the Decree or otherwise unequivocally directed towards that end;
- failure to comply with the procedures and/or processes for implementing decisions of the Management Body in organisational and operational activities;
- failure to comply with the arrangements and procedures established for obtaining and managing financial resources intended to prevent the commission of predicate offences;
- breach of the Model and the Safety System adopted pursuant to Legislative Decree 81/2008;
- failure to report breaches and/or irregularities of which a person becomes aware in the course of their work;
- making false reports of breaches of the Code of Ethics or the Model that are defamatory or constitute malicious accusations. Manifestly opportunistic reports and/or reports made solely for the purpose of harming the reporting person or other persons, as well as any other improper use or deliberate exploitation of safeguards established to protect the reporting person, also give rise to liability;
- failure to submit the reports and information required by the Model to the Supervisory Body or, more generally, failure to report breaches and irregularities, including those committed by apical persons.

6.4 General Criteria for Determining Sanctions

Following the establishment of a breach of the Code of Ethics or the Model, the Company imposes a sanction proportionate to the breach committed.

In determining the sanction, the following factors are assessed:

- seriousness of the breach;
- identity of the person responsible for the breach;
- seriousness of the risk and/or damage caused to the Company;
- any repetition of the breach.

6.5 Sanctions for Failure to Comply with Safeguards Established under Legislative Decree 231/01

6.5.1 Sanctions Applicable to Employees

A breach by an Employee of the provisions, principles and rules contained in the Code of Ethics and the Model constitutes a disciplinary offence, punishable in accordance with the procedures for notifying alleged breaches and imposing the resulting sanctions under the National Collective Bargaining Agreements applicable within the Company [2], in compliance with Article 7 of the Workers' Statute.

Accordingly, all provisions of Article 7 of the Workers' Statute remain applicable, including:

- the requirement, before imposing any disciplinary measure, to notify the Employee of the allegation and hear the Employee's defence;
- the requirement, except in the case of a verbal warning, to make the allegation in writing and not to impose the measure until five days have elapsed after notification of the allegation, during which the Employee may submit an explanation;
- the requirement to state the reasons for the measure to the Employee and communicate its imposition in writing;

In light of the above, where an Employee breaches the provisions of the Code of Ethics or the Model (see paragraph 5.3 of this Model), the following sanctions may be imposed:

- verbal warning;
- written warning;
- a fine not exceeding three or four hours' pay, calculated on the basis of the minimum contractual hourly rate;
- suspension from work and pay for no more than three or ten working days;
- dismissal.

The Supervisory Body must always be informed of any disciplinary sanctions imposed so that it can assess whether to recommend that the Company amend or update the adopted Organisation, Management and Control Model.

The Supervisory Body is responsible for reviewing and assessing the adequacy of the disciplinary system in light of Legislative Decree 231/01 and identifying, in its periodic report, possible areas for improvement and development of that system, particularly in view of amendments and additions to the applicable legislation.

Employees must be informed during information and training initiatives.

[2](the metalworking and commerce sector agreements)

6.5.2 Sanctions applicable to Management Personnel

Where management personnel breach the Code of Ethics or the Model, ILPRA will impose the sanctions considered most appropriate in view of the nature and seriousness of the breach and the management position held, in accordance with applicable law and any provisions of the collective bargaining agreement for managers.

If a member of the Board of Directors commits a breach, the Supervisory Body reports its findings concerning the breach of the established safeguards so that the Shareholders can take the most appropriate measures available under law.

6.5.3 Sanctions Applicable to the Board of Statutory Auditors

Upon becoming aware of a breach of the provisions and rules of the Code of Ethics or the Model by a member of the Board of Statutory Auditors, the Supervisory Body must promptly inform the Board of Directors so that appropriate measures may be taken.

In its report, the Supervisory Body must not only provide details of the breach but also outline any appropriate further investigations and, where the breach is established, the most suitable measures to be adopted.

Where appropriate, the Board of Directors may remove the defaulting statutory auditor for just cause pursuant to Article 2400(2) of the Italian Civil Code, pending the measures decided upon by the Shareholders' Meeting.

In the event of serious breaches by a statutory auditor entered in the register of statutory auditors pursuant to Article 2397 of the Italian Civil Code, the Company shall also report the matter to the authorities responsible for maintaining the relevant register.

6.5.4 Sanctions Applicable to Other Recipients

Compliance with the Code of Ethics and the Model by persons acting, in any capacity, in the name and on behalf of the Company and by other Recipients is ensured through specific contractual clauses.

Any breach by Third Parties, or commission by such persons of offences under the Decree, shall be sanctioned in accordance with the contracts concluded with them—which must therefore contain specific clauses governing the sanctions applicable in the event of non-compliance (for example, clauses allowing ILPRA to terminate the contract pursuant to Article 1456 of the Italian Civil Code)—as well as through appropriate legal action to protect the Company.

6.6 Additional measures

The Company retains the right to pursue all other remedies permitted by law, including seeking compensation for damage arising from breaches of Legislative Decree 231/01 by the persons identified above.

7. THE SYSTEM OF DELEGATED AUTHORITY AND POWERS OF ATTORNEY FOR THE PREVENTION OF OFFENCES UNDER LEGISLATIVE DECREE 231/2001

To comply with the principles of the Model and reduce the risk of offences under Legislative Decree 231/01, the Company has chosen, among other measures, to adopt an appropriate system of delegated authority and powers of attorney.

The system of delegated authority and powers of attorney must incorporate features that help prevent offences (in particular, transparency and traceability of sensitive transactions) while enabling efficient management of the Company's business.

In light of the foregoing :

- 'Delegation of authority' means the act of assigning functions and duties, as reflected in the system of organisational communications. It grants a delegated director or managing director decision-making, executive and representative powers belonging to the governing body;
- 'Power of attorney' means the unilateral legal instrument by which ILPRA grants powers of representation in dealings with third parties. It authorises acts relevant to the conduct of the business on behalf of the Entity.

The essential requirements of the system of delegated authority for effective prevention of offences are as follows:

- each delegation must link management powers to the corresponding responsibility and an appropriate position in the Company's organisational chart, and must be updated following organisational changes;
- each delegation must specify clearly and unequivocally:
  - the powers of the delegate;
  - the person or body to whom the delegate reports hierarchically;
  - any other persons to whom the delegated powers are granted jointly and/or severally.
- management powers granted by delegation must be consistent with corporate objectives;
- the delegate must have spending authority appropriate to the functions assigned.

The essential requirements for granting powers of attorney, with a view to effective prevention of offences, are as follows:

- powers of attorney describe the management powers granted and, where appropriate, are accompanied by a specific company communication defining the scope of representative authority and spending limits;
- powers of attorney may be granted to expressly identified natural persons or to legal persons acting through their own authorised representatives vested with corresponding powers;
  - powers of attorney identify any other persons to whom the same powers are granted, in whole or in part, jointly or severally.

8. COMMUNICATION AND TRAINING

Effective implementation of the Model requires all Recipients to be fully aware of it.

ILPRA therefore ensures that the Model is disseminated not only among Employees but also among persons acting in the name and on behalf of the Company. Appropriate means will also be adopted to inform Recipients of any amendments or updates to the established safeguards.

The methods used to communicate the Code of Ethics and the Model vary according to the Recipients, while ensuring that information is comprehensive, clear and continuous in all cases.

Staff training on the contents of the Decree and the principles of the Model is mandatory and is managed by the Management Body, at the instigation of and in close cooperation with the Supervisory Body.

— SPECIAL SECTION —

Decision-making protocols

1. MANAGEMENT OF COMPLIANCE OBLIGATIONS AND RELATIONS WITH PUBLIC BODIES AND INDEPENDENT ADMINISTRATIVE AUTHORITIES

1.1 PREMISES AND OBJECTIVES OF THE PROTOCOL

This protocol defines the roles, responsibilities, principles of conduct and controls that the Company intends to observe in activities relating to the risk area under Legislative Decree 231/01 concerning the management of compliance obligations and relations with public bodies and independent administrative authorities. It seeks to ensure compliance with applicable legislation and the principles of transparency, objectivity and truthfulness of information, and to prevent the commission of offences under Legislative Decree 231/01 in carrying out those activities.

This protocol supplements the provisions contained in:

- the Articles of Association;
- the Code of Ethics;
- all procedures adopted by the Company, including those formalised pursuant to the regulations governing listed companies.

For the correct understanding and application of this protocol, the definitions of 'Public Official' and 'Person Entrusted with a Public Service' are set out below:

- Public Official: Article 357(1) of the Italian Criminal Code defines a Public Official as a person who exercises 'a legislative, judicial or administrative public function'.

  Article 357(2) of the Italian Criminal Code further specifies that 'an administrative function is public when it is governed by rules of public law and authoritative acts and is characterised by the formation and expression of the will of the public administration or by its exercise through authoritative or certifying powers'.

  By way of example, Public Officials may include: political office-holders; ministers; ministerial managers and officials; Carabinieri personnel; police officers and officials; members of the Guardia di Finanza; judges and public prosecutors; court enforcement officers; notaries; bankruptcy trustees; workplace health and safety inspectors; customs inspectors; Revenue Agency officials; members of municipal technical offices; and INPS employees.
- Person Entrusted with a Public Service: Article 358 of the Italian Criminal Code defines persons entrusted with a public service as 'persons who, in any capacity, provide a public service'.

  Article 358 of the Italian Criminal Code further states that 'a public service means an activity governed in the same manner as a public function but lacking the powers characteristic of the latter, excluding the performance of routine clerical tasks and purely manual work'.

  Examples of persons entrusted with a Public Service include: operators of public landfill sites; bank personnel when carrying out activities relating to tax collection

or the management of public financing; and local health authority (ASL) cash-office staff.

Finally, the following are bodies forming part of the Public Administration:

- State bodies and administrations with autonomous organisation;
- Local and regional authorities;
- Chambers of Commerce, Industry, Crafts and Agriculture and their associations;
- all national, regional and local non-economic public bodies;
- Local Health Authorities (ASL);
- ARPA – Lombardy Regional Environmental Protection Agency;
- Land reclamation consortia;
- Private companies holding administrative concessions or licences (Telecom, TIM, Autostrade).

1.2 SCOPE OF APPLICATION

In accordance with Legislative Decree 231/01 and following the analysis carried out, this document seeks to prevent the commission, including in concert with third parties, of the following offences:

Article 24 of Legislative Decree 231/01:

- Fraud (Article 640(2)(1) of the Italian Criminal Code);
- Misappropriation of public funds (Article 316-bis of the Italian Criminal Code);
- Undue receipt of public funds (Article 316-ter of the Italian Criminal Code);
- Aggravated fraud for the purpose of obtaining public funds (Article 640-bis of the Italian Criminal Code).

Article 25 of Legislative Decree 231/01:

- Bribery in connection with the exercise of official functions (Article 318 of the Italian Criminal Code);
- Bribery for an act contrary to official duties (Article 319 of the Italian Criminal Code);
- Aggravating circumstances (Article 319-bis of the Italian Criminal Code);
- Penalties for the bribe-giver (Article 321 of the Italian Criminal Code);
- Incitement to bribery (Article 322 of the Italian Criminal Code);
- Undue inducement to give and promise benefits (Article 319-quater of the Italian Criminal Code).

Article 25-septies of Legislative Decree 231/01:

- Negligent homicide (Article 589 of the Italian Criminal Code);
- Negligent personal injury (Article 590 of the Italian Criminal Code).

Article 25-undecies of Legislative Decree 231/01:

- Environmental pollution (Article 452-bis of the Italian Criminal Code);
- Environmental disaster (Article 452-quater of the Italian Criminal Code);
- Negligent offences against the environment (Article 452-quinquies of the Italian Criminal Code);

- Trafficking in and abandonment of highly radioactive material (Article 452-sexies of the Italian Criminal Code);
- Aggravating circumstances (Article 452-octies of the Italian Criminal Code);
- Destruction or deterioration of habitats within a protected site (Article 733-bis of the Italian Criminal Code);
- Offences relating to unauthorised waste management (Article 256 of Legislative Decree 152/2006);
- Offences relating to site remediation (Article 257 of Legislative Decree 152/2006);
- Illegal trafficking in waste (Article 259 of Legislative Decree 152/2006);
- Organised activities for illegal trafficking in waste (Article 260 of Legislative Decree 152/2006).

Article 25-sexiesdecies of Legislative Decree 231/01:

- Smuggling in the movement of goods across land borders and customs areas (Article 282 of Presidential Decree 43/1973);
- Smuggling in the movement of goods on border lakes (Article 283 of Presidential Decree 43/1973);
- Smuggling in maritime transport of goods (Article 284 of Presidential Decree 43/1973);
- Smuggling in air transport of goods (Article 285 of Presidential Decree 43/1973);
- Smuggling in extra-customs zones (Article 286 of Presidential Decree 43/1973);
- Smuggling through improper use of goods imported with customs concessions (Article 287 of Presidential Decree 43/1973);
- Smuggling in customs warehouses (Article 288 of Presidential Decree 43/1973);
- Smuggling in coastal shipping and circulation (Article 289 of Presidential Decree 43/1973);
- Smuggling in the export of goods eligible for duty refunds (Article 290 of Presidential Decree 43/1973);
- Smuggling in temporary importation or exportation (Article 291 of Presidential Decree 43/1973);
- Other cases of smuggling (Article 292 of Presidential Decree 43/1973);
- Aggravating circumstances for smuggling (Article 295 of Presidential Decree 43/1973).

1.3 SENSITIVE ACTIVITIES

The following activities relating to public bodies and independent administrative authorities have been identified as sensitive:

- Applications for authorisations from public authorities (e.g. Single Environmental Authorisation, certificate of suitability for occupation and permitted use of premises, fire prevention certificate, etc.);
- Management of inspections;
- Applications for and management of public funding;
- Relations with customs authorities.

1.3.1 APPLICATIONS FOR AUTHORISATIONS FROM PUBLIC AUTHORITIES (E.G. FIRE PREVENTION CERTIFICATE)

The process can be divided into the following stages:

- Whenever it becomes necessary to apply for an authorisation, the COO and Plant Manager and/or the Operating Unit Manager collect all information necessary to prepare the documentation to be included in the application for the relevant authorisation or other measure;
- the COO and Plant Manager and/or the Operating Unit Manager check the documentation before submitting it to the Chief Executive Officer;
- the Chief Executive Officer signs the application;
- the Finance and Administration Department submits the application following a final review by the External Consultant of the documentation produced.

1.3.2 MANAGEMENT OF INSPECTIONS

The process can be divided into the following stages:

- Reception stage: the arrival of Public Administration representatives tasked with conducting inspections or investigations at the Company must be reported immediately to the Chief Executive Officer (also referred to as the "CEO") and the senior Company managers responsible for the subject matter of the inspection. These individuals, or at least one of them, together with the person responsible for receiving visitors or the manager responsible for the subject of the inspection, receive the public officials. In accordance with case-law principles and the Confindustria Guidelines, at least two Company representatives must assist the public officials. After checking the identification document showing the public body to which the officials belong, the managers assume responsibility for dealings with them (the "Inspection Managers");
- Inspection stage: having established the purpose of the inspection, the Inspection Managers oversee the checks, with assistance from other specialist personnel where appropriate. During the investigation or inspection, they provide Public Administration representatives with all documentation and information necessary to carry out their work;
- Recording stage: at the end of the inspection, the Inspection Managers assist Public Administration representatives in preparing the inspection report and any resulting instructions, checking that (i) the report accurately reflects the inspection findings; (ii) the instructions are clear and capable of implementation; and (iii) the deadline for resolving any issues is reasonable in light of the measures required.

  Where an instruction is considered inappropriate in any respect, the Chief Executive Officer or, in the CEO's absence and subject in all cases to the CEO's agreement, the Inspection Managers consider requesting that comments be entered in the report and/or that the report record a reservation of the right to submit subsequent comments and/or documentation.

  At the end of the inspection, the Chief Executive Officer or, in the CEO's absence, the Inspection Managers sign the report to indicate acceptance and retain a copy in the records.

1.3.3 Applications for and management of public funding

The process can be divided into the following stages:

- Assessment of the opportunity: by the relevant department;
- Assessment of proposals: by the relevant department;
- Preliminary discussion of the opportunity with the CEO: once the opportunity and project have been assessed, they are submitted for the CEO's approval;
- Preparation of the required documentation (the project, in the case of training): the relevant department prepares the project;
- Review of the documentation prepared: the documentation is checked by the department that prepared it and, where appropriate, by an external consultant;
- Submission of the application: carried out in accordance with the instructions set out in the individual procedures;
- Verification and reporting: carried out by the relevant department.

1.3.4 Relations with customs authorities

The Company has formalised a specific procedure for managing relations with customs authorities (Import/Export Logistics Operating Instruction).

1.4 RULES OF CONDUCT

Operational activities connected with compliance obligations and dealings with the Public Administration and its representatives must be carried out in accordance with applicable legislation, the principles of conduct set out in the Code of Ethics and the safeguards described in the Organisation, Management and Control Model under Legislative Decree 231/2001.

1.4.1 General principles of conduct

In accordance with the adopted principles of conduct and operational safeguards, personnel must observe the following rules:

- only persons authorised by those holding delegated authority may deal with representatives of the Public Administration;
- relations with Public Administration representatives must be characterised by the utmost transparency, cooperation and willingness to assist, with full respect for their institutional role and prompt, accurate compliance with the instructions and obligations imposed;
- in all dealings with public bodies, including audits, inspections, site visits, searches and investigations, the "principle of documentability" must be observed. Under this principle, exchanges of information and transactions must be demonstrable in paper or electronic form, enabling verification that they were carried out lawfully and without breaching legislation or other mandatory rules;
- in communications with the Public Administration:
  - Recipients must act fairly and impartially through the designated Company communication channels;

  - the Company's interests and positions must always be presented truthfully, transparently and consistently, without providing false, incomplete or misleading information or statements in order to obtain an undue advantage for the Company;
  - where documentation to be submitted to the Public Administration is prepared, wholly or partly, with the assistance of third parties (consultants, experts, technicians, etc.), their selection must always meet requirements of professionalism, independence and competence;
- in the event of attempted extortion by a Public Administration representative: do not comply with the request; promptly inform the line manager (if an employee) or internal contact (if a third party), and promptly notify the Supervisory Body;
- the Company makes no direct or indirect contributions to political parties or their representatives or candidates and refrains from exerting any direct or indirect pressure on political figures. Every Employee must recognise that any involvement in political activities is undertaken in a personal capacity, in their own time, at their own expense and in accordance with applicable law;
- in the event of an actual or suspected conflict of interest, promptly inform the line manager (if an employee) or internal contact (if a third party) and submit a formal notification to the Supervisory Body;
- the Company does not make contributions to organisations where a conflict of interest may arise;
- gifts, courtesies and hospitality offered to representatives such as Public Officials or persons entrusted with a Public Service are permitted only where of modest value and must in any event not exceed a total value of €100.00;
- in managing relations with customs authorities, the Company uses specialist consultants selected in accordance with formalised procedures.

1.4.2 Prohibited conduct

In general, Recipients of the Organisation, Management and Control Model are expressly prohibited from:

- making monetary gifts to Public Administration representatives;
- promising, offering and/or providing Public Administration representatives, directly or through third parties, with money or other benefits in exchange for favours, remuneration or other advantages for the Company;
- using forms of assistance or contributions (gifts, sponsorships, consultancy arrangements, etc.) that do not serve lawful purposes;
- favouring collaborators, suppliers, consultants, partners or other third parties in procurement processes because they have been recommended by the Public Administration or supervisory authorities;
- submitting untruthful declarations and/or applications for authorisations, subsidised financing or public grants, supported by documents that are wholly or partly inaccurate;
- exerting improper pressure or influence on Public Officials, persons entrusted with a Public Service or their family members in order to secure particular advantages for the Company in connection with their official duties;
- producing false or altered documents or data and/or withholding required information in order to influence Public Administration decisions in their own favour;

- obstructing in any way the performance of oversight activities by Public Administration representatives;
- giving gifts outside established Company practice (particularly where their value is not modest or exceeds €100.00). In particular, any gift or free service to representatives of Public Administration bodies, public officials or their family members that could even appear intended to influence their independent judgement or secure any improper advantage for the Company is prohibited;
- favouring employees, collaborators, suppliers, consultants or others in recruitment or procurement on the specific recommendation of Public Administration representatives in exchange for favours, remuneration or other advantages for themselves and/or the Company;
- making untruthful statements to national and/or EU public bodies to obtain grants, contributions or subsidised financing;
- engaging in misleading conduct that could cause the Public Administration to make errors in its technical or economic assessment of documentation submitted by the Company;
- using any sums received from national and/or EU public bodies for purposes other than those for which they were originally intended.

1.5 INFORMATION FLOWS

The Company must inform the Supervisory Body through the following periodic information flows:

- a list of all inspections to which the Company has been subject (annually);
- a list of authorisations or concessions applied for and obtained by the Company (annually);
- a list of financing applied for and/or obtained by the Company (every six months).

In addition to periodic information flows, the Company must promptly inform the Supervisory Body in the event of:

- measures and/or information originating from judicial police authorities or any other authority, including administrative authorities, involving the Company or apical persons and indicating that investigations are under way, including against persons unknown, into offences under Legislative Decree 231/01;
- requests for legal assistance submitted by managers and/or employees following the commencement of judicial proceedings for offences covered by Legislative Decree 231/01;
- inspections to which the Company is subject. In such cases, the Company must provide the Supervisory Body with copies of any reports issued by the public body conducting the inspection;
- any irregularities identified in applications for grants and/or financing;
- significant issues arising in connection with applications for administrative measures generally;
- any conduct contrary to the provisions formalised in this protocol.

2. ADMINISTRATIVE, ACCOUNTING AND FINANCIAL MANAGEMENT

2.1 PREMISES AND OBJECTIVES OF THE PROTOCOL

This protocol defines the roles, responsibilities, principles of conduct and controls that the Company intends to observe in relation to the risk area under Legislative Decree 231/01 concerning administrative, accounting and financial management. Its purpose is to ensure compliance with applicable legislation and the principles of transparency, objectivity and accuracy of information, and to prevent the commission of offences under Legislative Decree 231/01 in the performance of these activities.

This protocol supplements the provisions contained in:

- the Articles of Association;
- the Code of Ethics;
- all procedures adopted by the Company, including those formalised under the regulatory requirements applicable to listed companies.

2.2 SCOPE OF APPLICATION

In accordance with Legislative Decree 231/01 and following the analysis carried out, this document seeks to prevent the commission, including in concert with third parties, of the following offences:

Article 24 of Legislative Decree 231/01:

- Misappropriation to the detriment of the State (Article 316-bis of the Italian Criminal Code);
- Undue receipt of funds to the detriment of the State (Article 316-ter of the Italian Criminal Code);
- Aggravated fraud for the purpose of obtaining public funds (Article 640-bis of the Italian Criminal Code).

Article 24-ter of Legislative Decree 231/01:

- Inducing a person not to make statements, or to make false statements, to the judicial authorities (Article 377-bis of the Italian Criminal Code);
- Assisting an offender to evade investigation or justice (Article 378 of the Italian Criminal Code);
- Criminal association (Article 416 of the Italian Criminal Code);
- Mafia-type associations, including foreign associations (Article 416-bis of the Italian Criminal Code).

Article 25 of Legislative Decree 231/01:

- Bribery in connection with the exercise of official functions (Article 318 of the Italian Criminal Code);
- Bribery for an act contrary to official duties (Article 319 of the Italian Criminal Code);
- Aggravating circumstances (Article 319-bis of the Italian Criminal Code);
- Penalties for the bribe-giver (Article 321 of the Italian Criminal Code);
- Incitement to bribery (Article 322 of the Italian Criminal Code);

- Undue inducement to give and promise benefits (Article 319-quater of the Italian Criminal Code);

Article 25-ter of Legislative Decree 231/01:

- False corporate communications (Article 2621 of the Italian Civil Code);
- Minor offences (Article 2621-bis of the Italian Civil Code);
- Obstruction of supervisory activities (Article 2625(2) of the Italian Civil Code);
- Unlawful return of contributions (Article 2626 of the Italian Civil Code);
- Unlawful distribution of profits and reserves (Article 2627 of the Italian Civil Code);
- Unlawful transactions involving shares or quotas in the company or its parent company (Article 2628 of the Italian Civil Code);
- Transactions prejudicial to creditors (Article 2629 of the Italian Civil Code);
- Fictitious formation of share capital (Article 2632 of the Italian Civil Code);
- Unlawful influence over shareholders' meetings (Article 2636 of the Italian Civil Code);
- Obstruction of the functions of public supervisory authorities (Article 2638 of the Italian Civil Code);
- Bribery between private parties (Article 2635(3) of the Italian Civil Code);
- Incitement to bribery between private parties (Article 2635-bis(1) of the Italian Civil Code).

Article 25-octies of Legislative Decree 231/01:

- Receiving stolen goods (Article 648 of the Italian Criminal Code);
- Money laundering (Article 648-bis of the Italian Criminal Code);
- Use of money, assets or benefits of unlawful origin (Article 648-ter of the Italian Criminal Code);
- Self-laundering (Article 648-ter.1 of the Italian Criminal Code).

Article 25-decies of Legislative Decree 231/01:

- Inducing a person not to make statements, or to make false statements, to the judicial authorities (Article 377-bis of the Italian Criminal Code).

Article 25-quinquiesdecies of Legislative Decree 231/01:

- Fraudulent tax returns using invoices or other documents for non-existent transactions (Article 2 of Legislative Decree 74/2000);
- Fraudulent tax returns using other deceptive means (Article 3 of Legislative Decree 74/2000);
- Issuing invoices or other documents for non-existent transactions (Article 8 of Legislative Decree 74/2000);
- Concealment or destruction of accounting records (Article 10 of Legislative Decree 74/2000);
- Fraudulent evasion of tax payments (Article 11 of Legislative Decree 74/2000);
- Inaccurate tax returns (Article 4 of Legislative Decree 74/2000);
- Failure to submit tax returns (Article 5 of Legislative Decree 74/2000);
- Undue offsetting of tax liabilities (Article 10-quater of Legislative Decree 74/2000).

2.3 ACTIVITIES

Within administrative and accounting management, the following activities have been assessed as sensitive:

- Management of accounting (general ledger, customers, suppliers and inventory);
- Preparation of financial statements (annual and consolidated) and periodic reports on the Company's financial position and performance;
- Management of cash flows (payments and receipts);
- Cash management;
- Management of intra-group transactions.

2.3.1 MANAGEMENT OF ACCOUNTING (GENERAL LEDGER, CUSTOMERS, SUPPLIERS AND INVENTORY)

A) General ledger accounting is managed in accordance with the following operating practices:

1) Finance and Administration Department personnel record events on the basis of documentation received by the Company;
2) Finance and Administration Department personnel also prepare correcting, supplementary and adjusting entries when drawing up monthly, half-yearly and annual financial statements, under the CFO's supervision;
3) all accounting entries, whether relating to assets and liabilities, income and expenditure or financial transactions, are recorded only on the basis of adequate paper or electronic supporting documentation (e.g. invoices, receipts, bank statements and imports from remote banking through DocFinance);
4) the CFO checks the completeness and accuracy of accounting records (invoices, receipts, bank statements, etc.) each month by reconciling bank statements, checking the number of supplier invoices downloaded from the Italian e-invoicing Exchange System (Sistema di Interscambio – SDI) against the Company's tax portal records, and reviewing signed contracts;
5) Any changes to accounting entries are made by the CFO only where discrepancies with the accounting documents emerge, from which the correct accounting allocation can be determined.
6) Accounting and financial documents are archived in paper form, organised by document type, at the Finance and Administration Department for the current financial year and the preceding two years. Documents from the fourth through the tenth financial year are kept in a closed warehouse on Company premises, accessible only to personnel authorised by the CFO.

B) Customer accounting is managed by Finance and Administration Department staff in accordance with the following operating practices:

1) Customer master data are entered by Accounting using forms supplied by Customer Care/Sales. Customer records include company details, telephone and electronic contact details, payment methods and transport instructions. If certain details change (e.g. bank details), the information is provided by Customer Care or directly by the customer by email.

2) The information required to determine the value of sales documents for machines and moulds is provided by the Sales Department through an Internal Order. When issuing the sales invoice, the Finance and Administration Department includes the job reference (OV/OS) on the document.

   For spare parts, sales documents are prepared directly by the Spare Parts Department. For Italian customers only, the Finance and Administration Department issues the invoice on the basis of the delivery note prepared by the Spare Parts Department. All documents are submitted to the SDI by Accounting.

   For the Service Department, sales documents are prepared directly by that department; as above, the Finance and Administration Department is involved only in recording the document and subsequently submitting it to the SDI.

   All sales not covered by the preceding points are managed by checking the contracts in force (e.g. leases);

3) Sales documents are checked against the Internal Order, and individual departments verify the documents produced against service reports and spare-parts delivery notes;

4) Receivables management differs between Italy and overseas markets [3]:
   - For Italy, the procedure is structured into three levels:
     - First reminder sent by the 10th day of the month following the due date;
     - Customer blocked if payment is not made within 10 days of the due date;
     - Weekly telephone reminders;
     - Second reminder sent to the customer and the relevant agent by the end of the month following the first reminder;
     - Commencement of legal proceedings:
       - Company certified email (PEC);
       - Lawyer's certified email (PEC);
       - Payment injunction (decreto ingiuntivo).
   - For overseas customers, the procedure is structured into three levels, taking into account that approximately 90% of the supply value is normally collected before goods are shipped:
     - First transmission, at month-end, of the complete schedule of overdue and upcoming payments;
     - Second transmission, by the end of the month following the first reminder, to the customer and Customer Care of the complete schedule of overdue and upcoming payments;
     - Customer blocked.

C) Supplier accounting is managed in accordance with the following operating practices:

1) Supplier master data are entered by Administration, for the following supplier categories, on the basis of:
   a. Warehouse: an offer containing supplier details and payment terms, already negotiated by the Purchasing Department;
   b. Others: upon receipt of the accounting document.

[3](see ILPRA S.p.A.'s Organisation, Management and Control Model, Special Section, paragraph 5.3.1)

2) Regarding document traceability, different processes apply depending on the type of supplier:
   a. Warehouse: the value of the goods is recorded based on the delivery note, checked by Accounting (Finance and Administration Department) and imported into the SAMErp management system;
   b. Other suppliers: the document value is checked against the contract, where one exists; other types of services are authorised by the relevant Department Manager by signing the document or confirming by email;
3) Operators verify the completeness and accuracy of the data;
4) As regards verification of the accuracy of entries, purchase invoices imported from the SDI have already been checked and found to be correct in terms of their amounts. In addition to checks before payment, monthly reconciliations are carried out between all invoices recorded and those in the tax portal; the Finance and Administration Department also checks differences in costs and amounts on a sample basis.

D) Inventory accounting is managed in accordance with the following operating practices:

Inventory accounting is managed by the Warehouse Department, which independently determines values and/or makes value adjustments.

Accounting entries for inventory changes are based on data supplied by the Warehouse Department itself.

In relation to administrative and accounting management, the Company has established a series of controls to monitor activities, specifically:

- Access profiles for the accounting systems (SAMErp, Docfinance and Board) are differentiated (read-only access or permission to modify accounting data);
- The Finance and Administration Department checks accounting entries monthly (detailed accounting report);
- The appointed audit firm checks every six months that accounting records are properly maintained and business transactions are correctly recorded;
- The Finance and Administration Department makes any adjusting entries, which are checked by the audit firm;

The computer system used for accounting has the features necessary to ensure security and traceability of recorded transactions and identifies users who enter or amend data in the system.

2.3.2 Preparation of financial statements (annual and consolidated) and periodic reports on the Company's financial position and performance

In preparing financial statements and periodic reports, ILPRA complies with legislative requirements and established practices.

In relation to preparation of financial statements, the Company has established controls to monitor the proper performance of the activity, specifically:

- Before the accounting period closes, the CFO checks balances on miscellaneous accounts (e.g. sundry receivables, sundry payables and advances to suppliers) to identify any anomalies, including in comparison with previous periods;
- The Finance and Administration Department monitors deadlines for submitting the financial data needed to close the statutory financial statements and to provide the

holding company with data for preparation of the group consolidated financial statements, using a financial reporting calendar based on deadlines under applicable national legislation;

- The draft financial statements are submitted for review to the Board of Statutory Auditors and the audit firm;
- All obligations relating to tax and social security payments or returns, notices and certificates are prepared by a third party (external consultant) contractually engaged by the Company;
- The Finance and Administration Department files all accounting documentation in paper form.

2.3.3 Management of cash flows (payments and receipts)

With regard to payments for the purchase of machines, the Company has formalised a procedure (Purchase-to-Pay Procedure), which it updates periodically whenever operating practices change.

In light of the foregoing, with regard to the purchase-to-pay cycle:

- Purchase invoice payments are made by Finance and Administration Department staff through DocFinance; after entry, payments are authorised by the Chief Executive Officer.
- In addition to the Chief Executive Officer, certain Board members and special attorneys-in-fact have been delegated authority to make payments by bank cheque and/or banker's draft.
- For cash payments, reference is made to the specific formalised provisions [4];
- As specified in the Supplier Accounting Management Procedure, all purchase documents are checked against contracts and transport documents and must be authorised by the relevant Department Manager; payment authorisation is therefore given when the entry is recorded. Where the amount shown on a document differs from the agreements, delivery note or contract, the Department Manager refuses to authorise the invoice and expressly blocks payment in writing.
- DocFinance imports supplier master data and payment schedules daily, incorporating any changes to documents. Bank details are checked when the invoice is entered by an operator in the Finance Office.
- Setting up payments through DocFinance allows open items to be matched, thereby checking consistency between the invoice and the amount of the outgoing payment.
- Payments to suppliers into bank accounts located in countries other than the supplier's location, or into foreign bank accounts other than those normally used, are prohibited.
- Supplier ledgers and DocFinance clearing accounts are checked monthly.
- Monthly checks are carried out to ensure that there are no discrepancies between the locations of bank accounts and the locations of the companies, and that no bank account is associated with more than one supplier.

[4](see the Organisation, Management and Control Model, Special Section, paragraph 2.3.4)

- Direct tax payments are made by the external accountant from the accounts indicated by the Finance Department; other taxes are paid regularly in accordance with the schedule provided by the accountant at the beginning of the year.

For receipts management, the Company has formalised a procedure (Order-to-Cash Procedure), which it updates periodically whenever operating practices change.

In relation to payments and receipts management, the Company has established controls to monitor the proper performance of activities, specifically:

- Once recorded, all invoices must be signed by the relevant Department Manager or authorised by email before payment;
- Consultants' invoices are approved by the Head of Finance and Administration;
- The current system of delegated authority and powers identifies persons holding appropriate banking powers;
- Only the Chief Executive Officer approves payment instructions, which must first be signed for approval by the departments requesting the purchase and initialled by the Head of Finance and Administration;
- The payment management process uses Company applications and the remote banking system (DocFinance), structured around specific preparation, authorisation and confirmation access profiles assigned to users who log in with their own user IDs and passwords, according to their duties and responsibilities;
- Customers in default are blocked and cannot place orders. They may be permitted to place orders again only with the Sales Department's written consent.

2.3.4 Cash management

The Company regulates cash management through a specific procedure (Treasury Cycle Procedure), setting out all the operational steps followed by the Company.

Cash is managed by the Finance and Administration Department using an Excel cashbook, which is entered into the SAMErp accounting system monthly.

Cash withdrawals, made as needed, are generally managed by the Finance and Administration Department using a bank cheque signed by the Chief Executive Officer or an authorised delegate. Accordingly:

1) Petty cash is used for the following expenses: stationery, postage, revenue stamps, couriers, low-value consumables and advances for staff business travel. In particular:
   a. The spending limit is €200.00 per transaction;
   b. Expenses are supported by documents such as fiscal receipts, invoices and receipts showing the date, amount and type of expense.
2) The reconciliation of physical cash and the accounting balance is checked monthly, on the last day of the month, by the Finance and Administration Department.

2.3.5 Management of intra-group transactions

In dealings with Group companies, branches and distributors, the Company applies uniform standard sales terms and, in all cases, market terms.

The Company applies the regulatory provisions governing listed companies to intra-group relations.

2.4 RULES OF CONDUCT

Operational activities relating to administrative and accounting management must comply with applicable legislation, the principles of conduct in the Code of Ethics and the operational safeguards described in the Organisation, Management and Control Model under Legislative Decree 231/2001.

2.4.1 GENERAL PRINCIPLES OF CONDUCT

In accordance with the principles of conduct and operational safeguards adopted, Recipients must:

- With regard to administrative and accounting management:
  - Comply with the applicable accounting principles;
  - Ensure that every transaction is not only properly recorded but also authorised, verifiable, lawful, consistent and appropriate. The Finance and Administration Department records and periodically updates a detailed schedule of outstanding payables;
  - Act correctly, transparently and cooperatively when recording events relating to the Company's management and preparing its financial statements;
  - Comply with the calendar established by the Finance and Administration Department, following guidelines for closing activities and recording/reporting the accounting data requested;
  - Assess and record economic and balance-sheet items using reasonable and prudent criteria, clearly explaining in the relevant documentation the criteria used to determine an asset's value;
  - Ensure that assigned user profiles remain aligned with roles within the Company, observing segregation of duties between the person carrying out a transaction, the person recording it and the person checking it (including through SAMErp);
  - Ensure maximum cooperation, completeness and clarity of information, and accuracy of data and calculations when preparing annual financial statements and monthly and half-yearly accounts;
  - Scrupulously comply with all legal provisions protecting the integrity and effective existence of share capital in relation to transfers, share-capital increases, allocation of profits and reserves, distribution of interim dividends, so as not to prejudice the rights of creditors and third parties generally;
  - Ensure that every extraordinary transaction is not only recorded in accordance with the law but also lawful, authorised and verifiable;
  - Assess and record the economic and balance-sheet items relating to extraordinary transactions using reasonable and prudent criteria, clearly explaining in the relevant documentation the criteria used to determine the transaction value;
- With regard to financial management:
  - Ensure that every financial transaction is useful, necessary or relevant, is carried out on a non-predominant basis and, in any event, serves the Company's corporate purpose;

- Ensure that payments are managed only by persons holding powers of attorney granted for that purpose, and receipts are managed exclusively by authorised personnel;
- Check the existence of supporting documentation for every payment and receipt;
- Verify that the payment recipient is clearly identified in all transactions, in addition to bank details;
- Make payments only to bank accounts indicated by the third party when the contract is signed or subsequently notified by that party in writing;
- Ensure that every payment is made only against adequate documentation demonstrating that it relates to the Company's own obligations and complies with the agreements reached;
- Ensure that every financing arrangement is documented in writing and signed by all Parties in specific contracts/agreements, failing which it is void;
- Ensure that any intra-group financing is properly recorded, authorised, verifiable, lawful and appropriate;
- Ensure that, when managing cash, payments and receipts exceeding the threshold set by anti-money-laundering legislation (Legislative Decree 231/07) are not made in cash or using bearer instruments;
- Ensure that cash holdings do not exceed €2,500.00;
- Record every cash transaction in the designated register, which is checked monthly by the CFO or staff delegated by the CFO;

2.4.2 Prohibited conduct

In general, Recipients of the Organisation, Management and Control Model are expressly prohibited from:

- Engaging in conduct constituting offences under Legislative Decree 231/01;
- Engaging in conduct which, although not itself constituting an offence, could create an opportunity for or facilitate one;

Accordingly, the following are prohibited:

- With regard to administrative and accounting activities, it is prohibited to:
  - Take action intended to provide misleading information about the Company's actual position by failing to present its financial performance, assets and liabilities, and financial position accurately;
  - Carry out activities and/or transactions intended to create off-the-books funds (for example, by using invoices issued by third parties for fictitious transactions) or to establish "slush funds" or "parallel accounts", even for amounts below the thresholds for criminal liability under Articles 2621 and 2622 of the Italian Civil Code;
  - Alter or destroy financial and accounting documents or information available on the network through unauthorised access or other actions capable of achieving that purpose;
  - Prepare or communicate, including to corporate bodies, false or incomplete data or data otherwise liable to misrepresent the Company's financial performance, assets and liabilities, and financial position;

- Fail to disclose data and information required by law concerning the Company's financial performance, assets and liabilities, and financial position;
- Distribute profits or interim dividends that have not actually been earned or must by law be allocated to reserves, or distribute reserves, including those not formed from profits, which may not lawfully be distributed;
- Create or facilitate, by any means, fictitious formation of or increases in the Company's share capital;
- Impair the integrity of the share capital or legally non-distributable reserves of the Company or its subsidiaries/investee companies by purchasing or subscribing for their shares outside the cases permitted by law;
- Establish relationships or undertake extraordinary transactions with third parties where there are reasonable grounds to suspect that doing so could expose the Company to the risk of committing, including jointly with others, criminal association, terrorist financing, self-laundering, money laundering, receiving stolen goods or use of money, assets or benefits of unlawful origin;
- In activities covered by this protocol, commit, even jointly with others, any offence, other than a negligent offence, capable of generating money, assets or other benefits that may subsequently be substituted, transferred or used in economic, financial, business or speculative activities;

- With regard to financial management, it is prohibited to:
  - Create funds through unjustified payments;
  - Make payments without adequate documentation and authorisation;
  - Promise or pay sums of money, including through third parties, to public officials or private individuals, including in a personal capacity, with the aim of unlawfully promoting or favouring the Company's interests;
  - Make payments or award remuneration to third parties acting on behalf of the Company without adequate justification in relation to the type of assignment performed;
  - Receive payments from countries or territories on blacklists (because of preferential tax treatment or non-cooperation under FATF standards) from third parties who have not been adequately checked;
  - Carry out transactions with shareholders or intra-group transactions involving inadequately documented or authorised payments/receipts or cash; or use anonymous, fictitiously registered or foreign-branch bank accounts or savings passbooks where unrelated to the underlying transaction.

2.5 INFORMATION FLOWS

The Company must inform the Supervisory Body through the following periodic information flows:

- Summary information on intra-group relationships during the year (annually);
- List of payments made (quarterly);
- List of receipts collected (quarterly);
- Cash ledger (half-yearly);
- Annual financial statements, accompanied by the Notes to the Financial Statements, Directors' Report and Cash Flow Statement (annually).

In addition to periodic information flows, Recipients must promptly inform the Supervisory Body in the event of:

- Breaches (identified internally or by competent authorities) relating to obligations under applicable accounting and financial reporting legislation;
- Serious breaches of established administrative and accounting procedures and practices relating to statutory closing;
- Requests from any person for unjustified changes to the criteria used to recognise, record and present accounting data compared with those already recorded;
- Any significant issue arising in transactions affecting the Company's capital or assets (e.g. capital increases/reductions, profit distributions), with reference to statutory provisions protecting creditors;
- Any significant issue arising in the management of extraordinary transactions.

3. PROCUREMENT OF GOODS AND SERVICES

3.1 PREMISES AND OBJECTIVES OF THE PROTOCOL

This protocol aims to define the roles, responsibilities, principles of conduct and controls that the Company intends to observe in relation to activities within the risk area under Legislative Decree 231/01 concerning "Procurement of Goods and Services", in compliance with applicable law and the principles of transparency, objectivity and truthfulness of information, in order to prevent the commission of offences under Legislative Decree 231/01 in carrying out those activities.

This protocol supplements the provisions contained in:

- The Articles of Association;
- The Code of Ethics;
- All procedures adopted by the Company, including procedures formalised under the regulatory provisions applicable to listed companies.

3.2 SCOPE OF APPLICATION

In accordance with Legislative Decree 231/01 and following the analysis conducted, this document seeks to prevent the commission, including in conjunction with third parties, of the following offences:

Article 24-ter of Legislative Decree 231/01:

- Inducing a person not to make statements, or to make false statements, to the judicial authorities (Article 377-bis of the Italian Criminal Code);
- Assisting an offender to evade investigation or justice (Article 378 of the Italian Criminal Code);
- Criminal association (Article 416 of the Italian Criminal Code);
- Mafia-type associations, including foreign associations (Article 416-bis of the Italian Criminal Code).

Article 25 of Legislative Decree 231/01:

- Bribery in connection with the exercise of official functions (Article 318 of the Italian Criminal Code);
- Bribery for an act contrary to official duties (Article 319 of the Italian Criminal Code);
- Aggravating circumstances (Article 319-bis of the Italian Criminal Code);
- Penalties for the bribe-giver (Article 321 of the Italian Criminal Code);
- Incitement to bribery (Article 322 of the Italian Criminal Code);
- Undue inducement to give and promise benefits (Article 319-quater of the Italian Criminal Code).

Article 25-ter of Legislative Decree 231/01:

- Bribery between private parties (Article 2635(3) of the Italian Civil Code);
- Incitement to bribery between private parties (Article 2635-bis(1) of the Italian Civil Code).

Article 25-quinquies of Legislative Decree 231/01:

- Unlawful labour intermediation and exploitation (Article 603-bis of the Italian Criminal Code).

Article 25-septies of Legislative Decree 231/01:

- Negligent homicide (Article 589 of the Italian Criminal Code);
- Negligent personal injury (Article 590 of the Italian Criminal Code).

Article 25-octies of Legislative Decree 231/01:

- Receiving stolen goods (Article 648 of the Italian Criminal Code);
- Money laundering (Article 648-bis of the Italian Criminal Code);
- Use of money, assets or benefits of unlawful origin (Article 648-ter of the Italian Criminal Code);
- Self-laundering (Article 648-ter.1 of the Italian Criminal Code).

Article 25-decies of Legislative Decree 231/01:

- Inducing a person not to make statements, or to make false statements, to the judicial authorities (Article 377-bis of the Italian Criminal Code).

Article 25-undecies of Legislative Decree 231/01:

- Environmental pollution (Article 452-bis of the Italian Criminal Code);
- Environmental disaster (Article 452-quater of the Italian Criminal Code);
- Negligent offences against the environment (Article 452-quinquies of the Italian Criminal Code);
- Trafficking in and abandonment of highly radioactive material (Article 452-sexies of the Italian Criminal Code);
- Aggravating circumstances (Article 452-octies of the Italian Criminal Code);
- Destruction or deterioration of habitats within a protected site (Article 733-bis of the Italian Criminal Code);
- Offences relating to unauthorised waste management (Article 256 of Legislative Decree 152/2006);
- Offences relating to site remediation (Article 257 of Legislative Decree 152/2006);
- Illegal trafficking in waste (Article 259 of Legislative Decree 152/2006);
- Organised activities for illegal trafficking in waste (Article 260 of Legislative Decree 152/2006).

Article 25-duodecies of Legislative Decree 231/01:

- Employment of third-country nationals who are unlawfully resident (Article 22(12-bis) of the Consolidated Immigration Act).

Article 25-quinquiesdecies of Legislative Decree 231/01:

- Fraudulent tax returns using invoices or other documents for non-existent transactions (Article 2 of Legislative Decree No. 74/2000);
- Fraudulent tax returns by other deceptive means or devices (Article 3 of Legislative Decree No. 74/2000);
- Issuing invoices or other documents for non-existent transactions (Article 8 of Legislative Decree No. 74/2000);

- Concealment or destruction of accounting records (Article 10 of Legislative Decree No. 74/2000);
- Fraudulent evasion of tax payments (Article 11 of Legislative Decree No. 74/2000);
- Inaccurate tax returns (Article 4 of Legislative Decree No. 74/2000);
- Failure to file tax returns (Article 5 of Legislative Decree No. 74/2000);
- Undue offsetting of tax credits (Article 10-quater of Legislative Decree No. 74/2000).

Article 25-sexiesdecies of Legislative Decree 231/01:

- Smuggling in the movement of goods across land borders and customs areas (Article 282 of Presidential Decree No. 43/1973);
- Smuggling in the movement of goods across border lakes (Article 283 of Presidential Decree No. 43/1973);
- Smuggling in maritime transport of goods (Article 284 of Presidential Decree No. 43/1973);
- Smuggling in air transport of goods (Article 285 of Presidential Decree No. 43/1973);
- Smuggling in extra-customs zones (Article 286 of Presidential Decree No. 43/1973);
- Smuggling through improper use of goods imported with customs concessions (Article 287 of Presidential Decree No. 43/1973);
- Smuggling in customs warehouses (Article 288 of Presidential Decree No. 43/1973);
- Smuggling in coastal shipping and circulation (Article 289 of Presidential Decree No. 43/1973);
- Smuggling in the export of goods eligible for duty refunds (Article 290 of Presidential Decree No. 43/1973);
- Smuggling in temporary importation or exportation (Article 291 of Presidential Decree No. 43/1973);
- Other cases of smuggling (Article 292 of Presidential Decree No. 43/1973);
- Aggravating circumstances of smuggling (Article 295 of Presidential Decree No. 43/1973).

3.3 ACTIVITIES

The following activities have been identified as sensitive in relation to the procurement of goods and services:

- Selection and management of suppliers;
- Selection and management of consultants.

3.3.1 SELECTION AND MANAGEMENT OF SUPPLIERS AND CONSULTANTS

The selection and management of suppliers is governed by a dedicated procedure (Purchase Order Procedure).

In relation to the selection and management of suppliers and consultants, the Company has established a series of controls to monitor the proper performance of these activities, specifically:

- the Chief Executive Officer approves and signs all purchase contracts;
- the requesting departments authorise payment of invoices for goods or services by signing the invoice or authorising payment by email;

- the Department Manager or requesting departments / Purchasing, where possible and depending on the significance of the supply or consultancy, and where the supplier or consultant operates in a technical, administrative or tax-related field, check for warning signs such as:
  - residence in blacklisted countries;
  - lack of complete information concerning identity and the services to be performed;
  - refusal to include express termination clauses requiring compliance with Legislative Decree 231/01 in the contract;
- where the above warning signs warrant enhanced checks on the commercial reliability and professional integrity of the selected supplier or consultant, the following steps must be taken:
  - request a criminal record certificate issued no more than three months previously;
  - request a self-declaration in which the supplier or professional confirms that they have not been convicted of, and are not subject to ongoing proceedings concerning, offences under Legislative Decree 231/01;
  - report any anomalies identified to the Chief Executive Officer;
- the Department Manager, with support from Purchasing and the Head of the Prevention and Protection Service (RSPP), checks that the technical and professional qualifications of suppliers and consultants comply with applicable legislation (in particular Article 26 of Legislative Decree 81/2008), especially regarding occupational health and safety in contracting and subcontracting (e.g. certifications, risk assessment documents (DVR), single documents assessing interference risks (DUVRI), and costs incurred for the safety of their workers), and environmental requirements (e.g. certifications and authorisations for waste collection, transport and disposal);
- Purchasing checks the accuracy and completeness of the purchase request prepared by the Department Manager before starting the procurement process, except in the case of consultants;
- The Purchasing Department checks that contracts with suppliers or consultants include appropriate clauses binding the counterparty to comply with Legislative Decree 231/01 and the ethical and conduct principles adopted by the Company through its formalised safeguards, and allowing the Company to terminate the contract unilaterally in the event of non-compliance;
- the Department Manager checks that the goods or consultancy services have been properly received by approving the invoice.

3.4 RULES OF CONDUCT

Operational activities connected with the procurement of goods and services must comply with applicable legislation, the principles of conduct in the Code of Ethics and the operational safeguards described in the Organisation, Management and Control Model pursuant to Legislative Decree 231/2001.

3.4.1 GENERAL PRINCIPLES OF CONDUCT

Consistent with the principles of conduct and operational safeguards adopted, Recipients must, insofar as relevant to their responsibilities:

- maintain relationships with suppliers and consultants only where they demonstrate reliability, capability and integrity, in accordance with applicable laws, regulations and contracts;
- verify that suppliers using labour comply with social security contribution, remuneration and tax obligations and employment legislation;
- monitor compliance by suppliers using labour with statutory obligations concerning the protection of children and women at work, hygiene and safety conditions, trade union rights and rights of association and representation, including through unannounced audits;
- select and engage suppliers possessing all qualifications required by law to perform the services requested;
- in transactions with related parties, engage independent professionals for any operation involving the valuation of assets to be acquired or disposed of;
- maintain relationships only with suppliers and consultants that comply with employment laws and standards, particularly concerning working hours, overtime, leave, remuneration, workplace discrimination and occupational health and safety;
- ensure that supplier and consultant selection is transparent, justified and documented;
- bind suppliers and consultants through specific contractual clauses requiring compliance with Legislative Decree 231/01 and with the ethical and behavioural principles adopted by the Company through its Code of Ethics and Organisation, Management and Control Model under Legislative Decree 231/01, and granting the Company the right, in the event of breach, to terminate the contract unilaterally and claim compensation for any losses suffered;
- ensure that payments to suppliers and consultants are made directly and exclusively to accounts in their names, never to numbered accounts, in cash or for the benefit of a different party;
- exercise the utmost care regarding conduct or information relating to suppliers and consultants that might even raise suspicion of offences under Legislative Decree 231/01, and promptly report such matters to the Supervisory Body.

3.4.2 PROHIBITED CONDUCT

In general, Recipients of the Organisation, Management and Control Model are expressly prohibited from:

- making purchases that do not meet the necessary specifications or are not appropriately priced in relation to the market;

- providing services or making payments to suppliers and consultants without adequate justification under the contractual relationship, the type of engagement or prevailing local practices;
- making payments to suppliers and consultants without verification of the services performed and/or goods received;
- establishing or continuing relationships with suppliers that exploit workers;
- granting suppliers or consultants additional remuneration, bonuses or contractual exemptions unless justified and expressly authorised by a person with appropriate authority;
- using suppliers involved in child labour exploitation or any practices that may breach employment laws, hygiene and safety requirements, or trade union, association or representation rights;
- establishing relationships with suppliers where there are reasonable grounds to suspect that doing so may expose the Company to the risk of offences under Legislative Decree 231/01;
- concealing or destroying correspondence or any other documentation relating to this Protocol.

3.5 INFORMATION FLOWS

The Company must inform the Supervisory Body through the following periodic information flows:

- list of consultants engaged by the Company (every six months);
- list of suppliers engaged by the Company (every six months).

In addition to periodic information flows, Recipients must promptly inform the Supervisory Body in the event of:

- breaches of the procedures formalised in this Protocol, whether identified internally or by competent authorities;
- any conduct by a supplier or consultant aimed at obtaining favours, unlawful payments of money or other benefits, or involving offers of protection or extortionate demands made to representatives, employees or subcontractors during performance of the work;
- any critical issue or conflict of interest arising in the contractual relationship with a supplier, consultant or partner;
- exceptions to or deviations from procedures concerning the reasons for selecting a supplier, consultant or partner and the negotiated price.

4. PERSONNEL SELECTION, RECRUITMENT AND MANAGEMENT

4.1 P PREMISES AND OBJECTIVES OF THE PROTOCOL

This protocol aims to define the roles, responsibilities, principles of conduct and controls that the Company intends to observe in relation to activities within the risk area under Legislative Decree 231/01 concerning "Personnel selection, recruitment and management", in compliance with applicable legislation and the principles of transparency, objectivity and truthfulness of information, in order to prevent the commission of offences under Legislative Decree 231/01 in the performance of those activities.

This Protocol supplements the provisions contained in:

- the Articles of Association;
- the Code of Ethics;
- all procedures adopted by the Company, including procedures formalised pursuant to the regulatory requirements applicable to listed companies.

4.2 SCOPE OF APPLICATION

In accordance with Legislative Decree 231/01 and following the analysis conducted, this document seeks to prevent the commission, including in concert with third parties, of the following offences:

Article 24-ter of Legislative Decree 231/01:

- Inducing a person not to make statements, or to make false statements, to the judicial authorities (Article 377-bis of the Italian Criminal Code);
- Assisting an offender to evade investigation or justice (Article 378 of the Italian Criminal Code);
- Criminal association (Article 416 of the Italian Criminal Code);
- Mafia-type associations, including foreign associations (Article 416-bis of the Italian Criminal Code).

Article 25 of Legislative Decree 231/01:

- Bribery in connection with the exercise of official functions (Article 318 of the Italian Criminal Code);
- Bribery for an act contrary to official duties (Article 319 of the Italian Criminal Code);
- Aggravating circumstances (Article 319-bis of the Italian Criminal Code);
- Penalties for the bribe-giver (Article 321 of the Italian Criminal Code);
- Incitement to bribery (Article 322 of the Italian Criminal Code);
- Undue inducement to give and promise benefits (Article 319-quater of the Italian Criminal Code).

Article 25-ter of Legislative Decree 231/01:

- Bribery between private parties (Article 2635(3) of the Italian Civil Code);
- Incitement to bribery between private parties (Article 2635-bis(1) of the Italian Civil Code).

Article 25-quinquies of Legislative Decree 231/01:

- Unlawful labour intermediation and labour exploitation (Article 603-bis of the Italian Criminal Code).

Article 25-septies of Legislative Decree 231/01:

- Negligent homicide (Article 589 of the Italian Criminal Code);
- Negligent personal injury (Article 590 of the Italian Criminal Code).

Article 25-decies of Legislative Decree 231/01:

- Inducing a person not to make statements or to make false statements to the judicial authorities (Article 377-bis of the Italian Criminal Code);

Article 25-duodecies of Legislative Decree 231/01:

- Employment of nationals whose stay is irregular (Article 22(12-bis) of the Consolidated Immigration Act).

Article 25-quinquiesdecies of Legislative Decree 231/01:

- Fraudulent tax returns using invoices or other documents for non-existent transactions (Article 2 of Legislative Decree No. 74/2000);
- Fraudulent tax returns using other deceptive means (Article 3 of Legislative Decree No. 74/2000);
- Issuing invoices or other documents for non-existent transactions (Article 8 of Legislative Decree No. 74/2000);
- Concealment or destruction of accounting records (Article 10 of Legislative Decree No. 74/2000);
- Fraudulent evasion of tax payments (Article 11 of Legislative Decree No. 74/2000);
- Inaccurate tax returns (Article 4 of Legislative Decree No. 74/2000);
- Failure to submit tax returns (Article 5 of Legislative Decree No. 74/2000);
- Undue offsetting of tax liabilities (Article 10-quater of Legislative Decree No. 74/2000).

4.3 ACTIVITIES

The following activities have been identified as sensitive in relation to the selection, recruitment and management of personnel:

- Employee selection and recruitment;
- Employee management.

4.3.1 SELECTION AND RECRUITMENT OF EMPLOYEES

The personnel selection and recruitment process may be divided into the following stages:

1) Assessment of staffing requirements: the selection process is initiated when the head of the relevant department notifies the Personnel Department of the need to recruit a new employee or replace an existing member of staff, by completing the Human Resources Request Form;
2) Commencement of recruitment and selection: the Personnel Department activates the usual recruitment channels and identifies a list of candidates through initial screening of the CVs received.

The Personnel Department conducts the first stage of selection and submits candidates considered suitable for a second interview to the head of the relevant department.

The second interview, and any third interview, are conducted with the relevant departmental managers to assess the specific skills required for the role.

To ensure traceability and retention of documents relating to the selection process, candidates must complete an "Information Form", specifying in particular:

- any person who referred the candidate;
- any family relationships within the second degree with officials of the Public Administration;
- any public offices held.

Where a candidate or employee is a national of a non-EU country, the details of their residence permit must be recorded on the "Information Form";

3) Selection and formalisation of the offer: the departmental manager selects the candidate. The offer is formalised and the recruitment approved by signing the letter of employment. If the selected candidate has family relationships with employees of public bodies, the Administration Department forwards the relevant "Information Form" to the Supervisory Body;
4) Signing of the contract: the contract is signed by the candidate and the Chief Executive Officer;
5) Personnel records: the Administration Department is responsible for maintaining, retaining and updating a personnel database in the management system. The database contains: all information recorded at the start of employment (e.g. CVs); contractual details and employment classifications; day-to-day operational information; performance assessments for each employee; and information about each employee's education, training, skills and experience, kept up to date in line with assigned duties and training completed. To ensure the traceability of personnel selection, the Company must retain both the Overall Candidate Assessment Forms and the New Employee Information and Assessment Forms for at least five years. Documents are filed, retained and managed in accordance with applicable personal data protection legislation;
6) Monitoring the validity of residence permits: where an employee is a national of a non-EU country, the Administration Department monitors the validity of the residence permit and informs non-EU employees of its forthcoming expiry.

With regard to personnel selection and recruitment, the Company has established the following controls:

- for recruitment requests, the Personnel Department verifies the hiring requirement proposed by the requesting department against the established expenditure budget;
- the Personnel Department verifies the completeness and accuracy of the contractual terms agreed with the candidate;
- the Personnel Department ensures that all new employees are provided with:
  - the Code of Ethics and the Organisation, Management and Control Model;
  - the Company Regulations;
  - the privacy notice concerning the processing of personal data pursuant to Articles 13 and 14 of EU Regulation 679/2016;
  - the form for making a choice regarding severance pay (TFR);

- the Social Media Policy;
- the IT, Canteen and Gym Regulations;
- the Charter of Values.

4.3.2 EMPLOYEE MANAGEMENT

With regard to personnel management, the Company has established the following controls:

- the Personnel Administration Department enters or amends employee master data on the basis of written communications submitted by new employees and supported by appropriate documentation;
- the Personnel Administration Department verifies the accuracy of the uploaded payslip;
- the Personnel Department verifies the correct application of the criteria for allocating company benefits and performance bonuses;
- the Personnel Department and Accounting Department calculate employee bonuses on the basis of established objectives, before approval by the Chief Executive Officer.

4.4 RULES OF CONDUCT

Operational activities relating to personnel selection, recruitment and management must be carried out in compliance with applicable legislation, the principles of conduct set out in the Code of Ethics and the operational safeguards described in the Organisation, Management and Control Model pursuant to Legislative Decree 231/2001.

4.4.1 GENERAL PRINCIPLES OF CONDUCT

Recipients, within their respective areas of responsibility, must:

- conduct personnel selection activities ensuring that candidates are chosen on the basis of the Company's requirements and assessments of technical competence and aptitude, transparently and in accordance with the following criteria:
  - specific professional expertise appropriate to the appointment or duties;
  - equal treatment;
  - remuneration consistent with the position held and the roles and responsibilities assigned;
  - reliability in relation to the risk of criminal infiltration;
- select the type of employment contract to be offered to identified candidates in accordance with the Company's actual requirements;
- comply fully with all laws and regulations governing employment relationships, particularly the applicable national collective bargaining agreements for the relevant sectors and categories;
- verify that foreign personnel hold the permits and/or authorisations required in Italy before proceeding with recruitment, whether on a fixed-term or permanent basis;
- ensure that documentation is available to demonstrate that selection and recruitment procedures have been properly carried out;
- ensure that mandatory requirements associated with personnel recruitment are fulfilled with the utmost diligence and professionalism;

- ensure that any changes in remuneration are granted on the basis of merit and length of service;
- enter or amend employee master data only on the basis of written communications submitted by employees and supported by appropriate documentation;
- ensure that working conditions within the Company respect personal dignity and equal opportunities, and that an appropriate working environment is provided for everyone without favouritism;
- prepare documentation concerning the Company's financial performance, financial position, and assets and liabilities for submission to the relevant Supervisory Authorities with the utmost diligence and professionalism, providing clear, complete, accurate and truthful information.

4.4.2 PROHIBITED CONDUCT

In general, Recipients of the Organisation, Management and Control Model are expressly prohibited from:

- acting on the basis of favouritism;
- recruiting personnel, including under temporary contracts, without complying with applicable legislation (for example, regarding social security and welfare contributions, residence permits and age requirements);
- recruiting or employing minors or foreign workers without residence permits, or whose permits have expired without a renewal application having been submitted, or have been revoked or cancelled;
- recruiting or promising employment to Public Administration employees (or their relatives, relatives by marriage, friends, etc.), or to other persons who have participated, even individually, in Public Administration authorisation procedures or inspections concerning the Company;
- recruiting or promising employment to persons recommended by, associated with or favoured by a competitor, supplier, customer or potential business partner in order to obtain unlawful advantages;
- promising employment or salary increases in order to secure any unlawful advantage for the Company;
- entering fictitious employees in personnel records in order to create off-the-books funds;
- concealing documents and information requested by the Public Administration or providing it with incomplete or misleading documents and information;
- altering the content of electronic declarations and/or certificates intended to serve as evidence, such as mandatory declarations to INPS and INAIL;
- obstructing in any way the performance of supervisory activities by the Supervisory Authorities;
- carrying out transactions relating to the process in question where there are reasonable grounds to suspect that doing so could expose the Company to the risk of committing (including by participating in their commission) criminal association offences, including transnational offences, self-laundering, money laundering, receiving stolen property, or using money, assets or benefits of unlawful origin.

4.5 INFORMATION FLOWS

The Supervisory Body receives the following periodic information from the Company:

- list of new recruits and terminated employment relationships (annually);
- list of non-EU personnel indicating the expiry dates of their residence permits (annually);
- report on the management of the incentive scheme (annually);
- list of disciplinary allegations raised (annually);
- list of expenses incurred and reimbursed during the previous six months following completion of expense claims (half-yearly).

In addition to periodic reporting, the Company promptly informs the Supervisory Body in the event of:

- the recruitment of a person with family relationships to employees of public bodies, providing the Supervisory Body with the "Information Form";
- any conduct contrary to the provisions of this protocol.

5. MANAGEMENT OF LITIGATION AND PRE-LITIGATION MATTERS

5.1 PREMISES AND OBJECTIVES OF THE PROTOCOL

This protocol aims to define the roles, responsibilities, principles of conduct and controls that the Company intends to observe in the various activities within the risk area under Legislative Decree 231/01 entitled "Management of litigation and pre-litigation matters", in compliance with applicable legislation and the principles of transparency, objectivity and truthfulness of information, and with the aim of preventing offences under Legislative Decree 231/01 in the performance of those activities.

This protocol supplements the provisions contained in:

- the Articles of Association;
- the Code of Ethics;
- all procedures adopted by the Company, including those formalised pursuant to the regulations governing listed companies.

5.2 SCOPE OF APPLICATION

In accordance with Legislative Decree 231/01 and following the analysis undertaken, this document seeks to prevent the commission, including in conjunction with third parties, of the following offences:

Article 24-ter of Legislative Decree 231/01:

- Inducing a person not to make statements or to make false statements to the judicial authorities (Article 377-bis of the Italian Criminal Code)
- Assisting an offender to evade investigation or justice (Article 378 of the Italian Criminal Code);
- Criminal association (Article 416 of the Italian Criminal Code);
- Mafia-type associations, including foreign associations (Article 416-bis of the Italian Criminal Code).

Article 25-decies of Legislative Decree 231/01:

- Inducing a person not to make statements or to make false statements to the judicial authorities (Article 377-bis of the Italian Criminal Code).

5.3 ACTIVITIES

5.3.1 MANAGEMENT OF LITIGATION AND PRE-LITIGATION MATTERS

The principal stages through which the Company manages the process in question are set out below. A distinction must be made between cases in which the Company is the claimant and those in which it is the defendant.

1. ILPRA as Claimant: on the recommendation of the Department Heads involved, the Chief Executive Officer assesses whether to initiate legal proceedings and appoints external legal counsel in accordance with the formalised Procurement of Goods and Services Protocol, which also applies to legal advisers. Relations with external legal counsel are managed by the Chief Executive Officer and/or the individual

Department Directors, who also arrange for any requested documents to be provided with the support of the relevant Department Head. The Chief Executive Officer or Board of Directors makes significant decisions in the proceedings, including, for example, determining the most appropriate settlement terms;

2. ILPRA as Defendant: where the Company is the defendant, upon receiving notice of the commencement of legal proceedings, the Chief Executive Officer[5] reviews the situation and, where appropriate, appoints external legal counsel selected in accordance with the formalised Procurement of Goods and Services Protocol, which also applies to legal advisers. Relations with external legal counsel are managed by the Chief Executive Officer and/or the individual Department Directors, who also arrange for any requested documents to be provided with the support of the relevant Department Head. The Chief Executive Officer or Board of Directors makes significant decisions in the proceedings, including, for example, determining the most appropriate settlement terms.

5.4 RULES OF CONDUCT

Operational activities relating to the management of litigation and pre-litigation matters must comply with applicable legislation, the principles of conduct set out in the Code of Ethics and the operational safeguards described in the Organisation, Management and Control Model pursuant to Legislative Decree 231/2001.

5.4.1 GENERAL PRINCIPLES OF CONDUCT

In accordance with the adopted principles of conduct and operational safeguards, Recipients must:

- act properly, transparently and cooperatively, in compliance with the law and internal procedures, when dealing with the competent judges, their court-appointed experts and auxiliaries in connection with proceedings or appeals of any kind involving the Company;
- refrain from dealings with public or private persons who participate in or are involved in judicial proceedings in any capacity (judges, judicial police, court enforcement officers, other public officials, persons entrusted with a public service or persons providing services of public necessity, injured parties, persons under investigation, accused persons, claimants and defendants, advisers, experts, persons with knowledge of the facts and witnesses). The only person authorised to have such dealings is the appointed legal counsel;
- maintain transparent and proper relations with persons under investigation or charged in criminal proceedings involving an interest of the Company;

strictly comply with all legal provisions protecting the integrity and proper conduct of proceedings before the Judicial Authority.

[5] Where the Company is a defendant in proceedings pursuant to Legislative Decree 231/01 alongside the Chief Executive Officer or other Apical Persons, the legal professional who will represent the Company shall be appointed by a person other than those under investigation.

5.4.2 Prohibited conduct

In general, Recipients of the Organisation, Management and Control Model are expressly prohibited from:

- engaging in conduct constituting offences under Legislative Decree 231/01;
- engaging in conduct which, although not itself constituting an offence, could create an opportunity for or facilitate one.

Accordingly, it is prohibited to:

- coerce, by any means or in any manner, persons called upon to make statements to the Judicial Authority in deciding whether to respond, or induce them to exercise their right to remain silent;
- induce, by any means, persons called upon to make statements before the Judicial Authority to make untruthful statements;
- give, offer or promise money, gifts or other advantages to persons called upon to make statements before the Judicial Authority in order to induce them to refrain from making statements or to make false statements;
- give, promise or confer other benefits (for example, promoting Employees or improving their employment position) on persons called upon to make statements before the Judicial Authority in order to induce them to refrain from making statements or to make false statements;
- engage in threatening or violent conduct intended to intimidate a defendant or a person under preliminary investigation in criminal proceedings also involving ILPRA, with a view to protecting or improving the Company's position in those proceedings;
- engage in any conduct which, even if it does not actually constitute the offence described above, could potentially do so;
- undertake or facilitate operations or activities that do not comply with the rules set out in the Code of Ethics.

5.5 INFORMATION FLOWS

The Company must inform the Supervisory Body through the following periodic information flows:

- list of ongoing judicial disputes and out-of-court matters (annually).

In addition to periodic reporting, the Company must promptly inform the Supervisory Body in the event of:

- requests for legal assistance submitted by managers and/or employees following the commencement of judicial proceedings concerning offences covered by Legislative Decree 231/01;
- any conduct contrary to the provisions formalised in this protocol.

6. MANAGEMENT OF COMMERCIAL ACTIVITIES

6.1 PREMISES AND OBJECTIVES OF THE PROTOCOL

This protocol defines the roles, responsibilities, principles of conduct and controls that the Company intends to observe in the various activities within the risk area under Legislative Decree 231/01 concerning the management of commercial activities, in compliance with current legislation and the principles of transparency, objectivity and truthfulness of information, with the aim of preventing offences under Legislative Decree 231/01 in the performance of those activities.

This protocol supplements the provisions contained in:

- the Articles of Association;
- the Code of Ethics;
- all procedures adopted by the Company, including those formalised pursuant to the regulations governing listed companies.

6.2 SCOPE OF APPLICATION

In accordance with Legislative Decree 231/01 and following the analysis undertaken, this document seeks to prevent the commission, including in conjunction with third parties, of the following offences:

Article 25-ter of Legislative Decree 231/01:

- Bribery between private parties (Article 2635(3) of the Italian Civil Code);
- Incitement to bribery between private parties (Article 2635-bis(1) of the Italian Civil Code).

Article 25-quinquiesdecies of Legislative Decree 231/01:

- Fraudulent tax returns using invoices or other documents for non-existent transactions (Article 2 of Legislative Decree 74/2000);
- Fraudulent tax returns using other deceptive means (Article 3 of Legislative Decree 74/2000);
- Issuing invoices or other documents for non-existent transactions (Article 8 of Legislative Decree 74/2000);
- Concealment or destruction of accounting records (Article 10 of Legislative Decree 74/2000);
- Fraudulent evasion of tax payments (Article 11 of Legislative Decree 74/2000);
- Inaccurate tax returns (Article 4 of Legislative Decree 74/2000);
- Failure to submit tax returns (Article 5 of Legislative Decree 74/2000);
- Undue offsetting of tax liabilities (Article 10-quater of Legislative Decree 74/2000).

6.3 ACTIVITIES

Within the management of commercial activities, the following activities have been identified as sensitive:

- Sales management;
- Management of gifts, sponsorships and other donations.

6.3.1 SALES MANAGEMENT

With regard to sales management, the Company has adopted a procedure (Management of Offers – Commercial Process (PR 06)).

With particular regard to sales, the Company has established the following specific controls:

- all commercial sales contracts are entered into by a person vested with appropriate authority (Sales Director);
- before a contract is initiated, the Sales Department and the Administration and Finance Department collect customer details (company name, registered office, country of operation, business activities and customer representatives) and verify the customer's financial stability using an international score;
- for prospective overseas customers, the Administration and Finance Department checks whether they appear on EU sanctions lists. In any event, it checks existing overseas customers against EU sanctions lists at least once a year;
- the Sales Department verifies the country in which the machinery will be installed and its use in the food sector;
- contracts or general terms and conditions of sale include a clause requiring compliance with international sanctions, prohibiting re-export to embargoed countries and entitling ILPRA to suspend or terminate the contract in the event of a breach;
- any extensions of payment terms granted to customers must be approved by a person vested with appropriate authority.

6.3.2 MANAGEMENT OF GIFTS, SPONSORSHIPS AND OTHER DONATIONS

The following authorisation procedure must always be followed for gifts, sponsorships and donations:

- the person requesting the provision of a gift or the promotion of a sponsorship or donation sends an email specifying the beneficiary's name, a description of the gift, the type of sponsorship, the amount donated and the reason for making the gift, sponsorship or donation;
- the Chief Executive Officer verifies that the request complies with the formalised protocols and authorises it.

6.4 RULES OF CONDUCT

Operational activities relating to the management of commercial activities must comply with applicable legislation, the principles of conduct in the Code of Ethics and the operational safeguards described in the Organisation, Management and Control Model pursuant to Legislative Decree 231/2001.

6.4.1 General principles of conduct

In accordance with the adopted principles of conduct and operational safeguards, Recipients must, within their respective responsibilities:

- ensure that customers receive products and services matching the stated quality, quantity and price;
- act honestly, courteously, transparently and cooperatively, provide adequate and complete information and avoid evasive or corrupt practices designed to improperly influence customers' judgement or conduct;
- pay the utmost attention to information concerning persons with whom the Company has commercial relations that could give rise even to suspicion of offences under Legislative Decree 231/01;
- conduct customer relations in full compliance with applicable laws, the general principles and rules of conduct in the Code of Ethics and the Model, promptly and fully implementing their requirements;
- monitor customers' continued reliability, honesty, competence and professionalism throughout the contractual relationship;
- ensure that customer relations are managed exclusively by appropriately authorised persons and conducted in full compliance with applicable laws and regulations and the principles of loyalty and fairness;
- act honestly and in accordance with professional ethics;
- inform their manager of gifts, invitations or offers of other benefits that could raise suspicion of undue influence over business decisions;
- comply with the limits established by the Code of Ethics and the Model on offering or accepting gifts, hospitality or other benefits;
- for contributions, benefits or sponsorships, carry out appropriately documented prior due diligence on the beneficiary and make all payments exclusively into accounts held in the beneficiary's name;
- ensure that gifts, in all circumstances: (a) serve genuine business purposes, (b) are reasonable and made in good faith, (c) comply with applicable laws and procedures, including the specific authorisation process, (d) are recorded and supported by appropriate documentation, and (e) are of modest value (€1,000) and, in any event, fall within reasonable standards of courtesy and never consist of sums of money;
- ensure that voluntary contributions, donations or other charitable initiatives, or payments of membership subscriptions, comply with the following minimum standards:
  - may be made only to organisations of proven reliability and recognised reputation for honesty and integrity in their practices;
  - include, in advance, an adequate description of the nature and purpose of the contribution and verification of its lawfulness under applicable legislation;
  - ensure full transparency in reporting donations and gifts made;
  - ensure full transparency in the sponsorship process, covering at least:
    - the budget allocated and approved for these purposes;
    - identification of the beneficiaries of donations and sponsorships;
- report the value of donations, gifts and sponsorships.

6.4.2 PROHIBITED CONDUCT

In general, Recipients of the Organisation, Management and Control Model are expressly prohibited from:

- promising or paying money, goods in kind or other benefits to persons representing customers (public or private) for the purpose of promoting or furthering the Company's unlawful interests;
- using other forms of assistance or contributions (commercial discounts, gifts, sponsorships, appointments, consultancy engagements, entertainment, etc.) for the same prohibited purposes described in the preceding point;
- making representations about products sold that may mislead customers, including through omissions, ambiguity or exaggeration;
- accepting payment of invoices from persons other than those to whom they are addressed without fully verifying the reasons for payment by third parties;
- engaging in fraudulent acts capable of diverting competitors' customers and causing harm to companies competing with the Company.

6.5 INFORMATION FLOWS

The Company must inform the Supervisory Body through the following periodic information flows:

- list of the Company's new customers (every six months);
- list of gifts (annually);
- list of sponsorships (annually);
- list of donations or other voluntary contributions (annually).

In addition to periodic information flows, Recipients must promptly inform the Supervisory Body in the event of:

- any conduct by third parties generally (including public-sector parties) aimed at obtaining favours, unlawful payments or other benefits in connection with products sold by the Company;
- any critical issue or conflict of interest arising in commercial relationships with public bodies or private parties, whether domestic or foreign.

7. PRODUCTION MANAGEMENT

7.1 PREMISES AND OBJECTIVES OF THE PROTOCOL

This protocol aims to define the roles, responsibilities, principles of conduct and controls that the Company intends to observe in relation to activities within the risk area under Legislative Decree 231/01 concerning "Production management", in compliance with applicable legislation and the principles of transparency, objectivity and truthfulness of information, in order to prevent the commission of offences under Legislative Decree 231/01 in the performance of those activities.

This protocol supplements the provisions contained in:

- the Articles of Association;
- the Code of Ethics;
- all procedures adopted by the Company, including procedures formalised pursuant to the regulatory requirements applicable to listed companies.

7.2 SCOPE OF APPLICATION

In accordance with Legislative Decree 231/01 and following the analysis carried out, this document aims to prevent the commission, including through participation with third parties, of the following offences:

Article 25-quinquies of Legislative Decree 231/01:

- Unlawful labour intermediation and exploitation (Article 603-bis of the Italian Criminal Code).

Article 25-septies of Legislative Decree 231/01:

- Negligent homicide (Article 589 of the Italian Criminal Code);
- Negligent personal injury (Article 590 of the Italian Criminal Code).

Article 25-undecies of Legislative Decree 231/01:

- Environmental pollution (Article 452-bis of the Italian Criminal Code);
- Environmental disaster (Article 452-quater of the Italian Criminal Code);
- Negligent offences against the environment (Article 452-quinquies of the Italian Criminal Code);
- Trafficking in and abandonment of highly radioactive material (Article 452-sexies of the Italian Criminal Code);
- Aggravating circumstances (Article 452-octies of the Italian Criminal Code);
- Destruction or deterioration of habitats within a protected site (Article 733-bis of the Italian Criminal Code);
- Offences relating to unauthorised waste management (Article 256 of Legislative Decree 152/2006);
- Offences relating to site remediation (Article 257 of Legislative Decree 152/2006).

Article 25-duodecies of Legislative Decree 231/01:

- Employment of nationals whose stay is irregular (Article 22(12-bis) of the Consolidated Immigration Act).

7.3 ACTIVITIES

7.3.1 PRODUCTION MANAGEMENT

The activities listed above are governed by specific processes formalised within the Quality Management System.

7.4 RULES OF CONDUCT

Operational activities relating to production management must comply with applicable legislation, the principles of conduct set out in the Code of Ethics and the operational safeguards described in the Organisation, Management and Control Model pursuant to Legislative Decree 231/2001.

7.4.1 GENERAL PRINCIPLES OF CONDUCT

In accordance with the adopted principles of conduct and operational safeguards, Recipients must, insofar as relevant to their responsibilities:

- establish controls over the quality, provenance, characteristics and origin of products intended for subsequent commercialisation.
- maintain relationships with suppliers and consultants only where they demonstrate reliability, capability and honesty, in accordance with applicable laws, regulations and contracts;
- maintain relationships only with suppliers and consultants that comply with employment laws and standards, particularly regarding working hours, overtime, leave, pay, workplace discrimination and occupational health and safety legislation;
- ensure that the selection of suppliers and consultants is transparent, justified and documented;
- select the type of employment contract to be offered to identified candidates in accordance with the Company's actual needs;
- comply fully with all applicable laws and regulations governing employment relationships, particularly the relevant national collective bargaining agreements for the sectors and categories concerned;
- verify that foreign personnel hold the permits and/or authorisations required in Italy before recruitment, whether on fixed-term or permanent contracts;
- ensure that documentation is available demonstrating that selection and recruitment procedures have been properly conducted;
- ensure working conditions within the Company that respect personal dignity and equal opportunities, and provide an appropriate working environment for everyone without favouritism;
- comply with all internal rules formalised and issued by the Company in accordance with Legislative Decree 81/08 to protect the health and safety of employees and external collaborators;
- ensure compliance with environmental protection laws and regulations in the Company's activities.

7.4.2 PROHIBITED CONDUCT

In general, Recipients of the Organisation, Management and Control Model are expressly prohibited from:

- selling a product whose characteristics differ from those stated on its label (e.g. place of production or material), thereby misleading the end consumer as to the product's origin and provenance;
- establishing and/or maintaining relationships with suppliers that use labour under exploitative conditions;
- using suppliers involved in child labour exploitation or any practices that may breach legal obligations concerning employment, hygiene, health and safety conditions, trade union rights or rights of association and representation;
- recruiting or employing minors or foreign workers without residence permits, or whose permits have expired without a renewal application, or have been revoked or cancelled;
- engaging in conduct which, including through negligent cooperation with others, may constitute one of the offences provided for by Legislative Decree 231/01 to protect workers' health and safety and the environment.

7.5 INFORMATION FLOWS

The Company must promptly inform the Supervisory Body of any significant critical issues arising in production.

8. MANAGEMENT OF SAFEGUARDS ADOPTED TO PROTECT WORKERS' HEALTH AND SAFETY PURSUANT TO LEGISLATIVE DECREE 81/08

8.1 PREMISES AND OBJECTIVES OF THE PROTOCOL

This protocol, which forms an integral part of the Organisation, Management and Control Model pursuant to Legislative Decree 231/01, aims to define the roles, responsibilities, principles of conduct and controls that the Company intends to observe in relation to the various activities falling within the risk area under Legislative Decree 231/01 entitled "Management of safeguards adopted to protect workers' health and safety pursuant to Legislative Decree 81/08", in compliance with applicable legislation and the principles of transparency, objectivity and truthfulness of information, and with the aim of preventing the offences provided for by Legislative Decree 231/01 in the performance of those activities.

This protocol supplements the provisions contained in:

- the Articles of Association;
- the Code of Ethics;
- all procedures adopted by the Company, including those formalised pursuant to the regulations governing listed companies;
- the safeguards and documentation adopted pursuant to Legislative Decree 81/08.

8.2 SCOPE OF APPLICATION

In accordance with Legislative Decree 231/01 and following the analysis carried out, this document is intended to prevent the commission, including through participation with third parties, of the following offences:

Article 25-septies of Legislative Decree 231/01:

- Negligent homicide (Article 589 of the Italian Criminal Code);
- Negligent personal injury (Article 590 of the Italian Criminal Code).

8.3 ACTIVITIES

In view of the specific analysis conducted by the Company, all activities identified and assessed in the Risk Assessment Document (hereinafter also the "DVR"), prepared in accordance with the applicable legislation and continuously updated to reflect developments in ILPRA's business activities, are considered sensitive activities.

The Company has established an organisational structure that complies with current occupational health and safety legislation, defining health and safety duties and responsibilities from the Employer through to individual Workers.

The following persons operate within this structure, as formalised in the organisational chart:

- the Employer, who has been assigned all occupational health and safety obligations;

- the Head of the Prevention and Protection Service (RSPP), namely the person possessing the required skills and professional qualifications, appointed by the Employer and reporting to the Employer to coordinate the risk prevention and protection service.

In particular, the Head of the Prevention and Protection Service must perform all duties assigned by the Employer or the Safety Manager, overseeing compliance with safety provisions, including the following duties:

  - assisting the Employer in selecting the persons included in the safety organisational chart and verifying that they receive appropriate training;
  - identifying and assessing risks and identifying prevention and protection measures;
  - developing safety measures for the various Company activities;
  - proposing training and information programmes for workers;
  - providing workers with information on risks, hazards and protective measures;
  - assisting the Employer and the Safety Manager in verifying implementation of the health surveillance plan and selecting Personal Protective Equipment;
- the Occupational Physician, appointed by the Employer for risk assessment, health surveillance and all other duties provided for by Legislative Decree 81/08;
- the Workers' Health and Safety Representative (RLS), designated in accordance with the relevant trade union agreements to represent Workers on workplace health and safety matters;
- the First Aid Team Members, assigned first aid and emergency medical assistance duties;
- the Fire Prevention Team Members, assigned duties relating to fire prevention and emergency management.

ILPRA ensures compliance with occupational health and safety legislation through:

- assessment of occupational health and safety risks;
- planning of risk prevention;
- elimination of risks (or their reduction to a minimum in light of available knowledge);
- minimising the number of workers (Collaborators or External Consultants) exposed to risk;
- limiting the use of chemical, physical and biological agents in the workplace;
- giving priority to collective protection measures over individual protection measures;
- participation and consultation of workers and their representatives;
- formalising instructions appropriate to workers' level of education;
- health surveillance of workers;
- replacing what is dangerous with what is not dangerous or is less dangerous;
- use of warning and safety signs;
- regular maintenance of premises, equipment, machinery and installations, with particular regard to safety devices, in accordance with manufacturers' instructions;
- planning a range of training activities for all Company personnel in accordance with the State–Regions Agreement of 11 January 2012.

8.4 RULES OF CONDUCT

Operational activities relating to the management of safeguards adopted to protect workers' health and safety pursuant to Legislative Decree 81/08 must be carried out in compliance with applicable legislation, the principles of conduct set out in the Code of Ethics and the operational safeguards described in the Organisation, Management and Control Model pursuant to Legislative Decree 231 of 2001.

8.4.1 GENERAL PRINCIPLES OF CONDUCT

In accordance with the principles of conduct and operational safeguards adopted, Recipients must, within their respective areas of responsibility:

- comply with all internal rules formalised and issued by the Company in accordance with Legislative Decree 81/08, in order to protect the health and safety of employees and external collaborators;
- use equipment, means of transport and other work tools correctly, as well as the safety devices supplied by the Company;
- immediately report to the Head of the Prevention and Protection Service any deficiencies identified and any dangerous situations of which they become aware in carrying out their activities;
- not remove or impair the operation of safety, signalling or monitoring devices;
- comply strictly with the requirements set out in all documentation adopted pursuant to Legislative Decree 81/08.

8.4.2 Prohibited conduct

In general, Recipients of the Organisation, Management and Control Model are expressly prohibited from:

- engaging in conduct constituting the offences referred to in Article 25-septies of Legislative Decree 231/01 and consequently causing death or serious or very serious injury to themselves or other workers;
- engaging in conduct which, although not itself constituting an offence, could create an opportunity for or facilitate such an offence.

8.5 INFORMATION FLOWS

The Company must inform the Supervisory Body through the following periodic information flows:

- Copy of the minutes of the periodic meeting held pursuant to Article 35 of Legislative Decree 81/08 (annually);
- Information on all updates and/or amendments to the documentation adopted to safeguard workers' health and safety, first and foremost the Risk Assessment Document (annually);
- List of accidents occurring during the year (including those resulting in a prognosis of fewer than 40 days) (annually);
- Company safety training plan (annually);
- List of planned investments in accident prevention and the protection of workplace hygiene and safety (annually);
- List of expenditure incurred on accident prevention and the protection of workplace hygiene and safety (annually);
- Safety organisational chart (annually).

In addition to periodic information flows, Recipients must promptly inform the Supervisory Body in the event of:

- any critical issue identified in the safety management process;
- accidents relevant under Legislative Decree 231/01 (involving a prognosis exceeding 40 days), by submitting a report;
- any new appointment relating to workers' health and safety, through a specific notification;
- any significant departure from procedures in an emergency or where implementation is temporarily impossible, stating the reasons, and any significant anomaly identified.

9. MANAGEMENT OF SAFEGUARDS ADOPTED TO PROTECT THE ENVIRONMENT

9.1 PREMISES AND OBJECTIVES OF THE PROTOCOL

This protocol, which forms an integral part of the Organisation, Management and Control Model pursuant to Legislative Decree 231/01, aims to define the roles, responsibilities, principles of conduct and controls that the Company intends to observe in relation to the various activities falling within the risk area under Legislative Decree 231/01 entitled "Management of safeguards adopted to protect the environment", in compliance with applicable legislation and the principles of transparency, objectivity and truthfulness of information, and with the aim of preventing the offences provided for by Legislative Decree 231/01 in the performance of those activities.

This protocol supplements the provisions contained in:

- the Articles of Association;
- the Code of Ethics;
- all procedures adopted by the Company, including those formalised pursuant to the regulations governing listed companies.

9.2 SCOPE OF APPLICATION

In accordance with Legislative Decree 231/01 and following the analysis carried out, this document is intended to prevent the commission, including through participation with third parties, of the following offences:

Article 25-undecies of Legislative Decree 231/01:

- Environmental pollution (Article 452-bis of the Italian Criminal Code);
- Environmental disaster (Article 452-quater of the Italian Criminal Code);
- Negligent offences against the environment (Article 452-quinquies of the Italian Criminal Code);
- Trafficking in and abandonment of highly radioactive material (Article 452-sexies of the Italian Criminal Code);
- Aggravating circumstances (Article 452-octies of the Italian Criminal Code);
- Destruction or deterioration of habitats within a protected site (Article 733-bis of the Italian Criminal Code);
- Unauthorised waste management activities (Article 256 of Legislative Decree 152/2006);
- Offences concerning site remediation (Article 257 of Legislative Decree 152/2006);
- Breach of obligations concerning communications, mandatory registers and waste identification forms (Article 258 of Legislative Decree 152/2006);
- Illegal trafficking in waste (Article 259 of Legislative Decree 152/2006);
- Organised activities for the illegal trafficking of waste (Article 260 of Legislative Decree 152/2006);
- Breach of obligations concerning communications, mandatory registers and waste identification forms (Article 258 of Legislative Decree 152/2006).

9.3 ACTIVITIES

ILPRA operates in full compliance with environmental legislation, using, where necessary, accredited external suppliers selected in accordance with the protocol for purchasing goods and services.

9.4 RULES OF CONDUCT

Operational activities connected with managing the safeguards adopted to protect the environment must comply with applicable legislation, the principles of conduct laid down in the Code of Ethics and the operational safeguards described in the Organisation, Management and Control Model pursuant to Legislative Decree 231/2001.

In all cases, the following specific preventive protocols apply to the management of environmental compliance obligations:

- It is prohibited to engage in, promote, assist with or cause conduct constituting offences involving the abandonment or uncontrolled deposit of waste on or in the ground;
- It is prohibited to engage in conduct which, although not in itself constituting an offence, could potentially become one;
- It is prohibited to use the Company, even occasionally, as a means of enabling or facilitating the commission of environmental offences by the Company or third parties.

9.4.1 General principles of conduct

In accordance with the principles of conduct and operational safeguards adopted, Recipients must, within their respective areas of responsibility:

- Ensure compliance with environmental protection laws and regulations in the course of the Company's activities;
- Comply strictly with the specific requirements contained in the administrative measures applicable from time to time;
- Actively pursue, each within their own area of responsibility, the prevention of pollution and the minimisation of the environmental effects of the activities carried out;
- Carry out their activities in the interests of the Company while respecting the environment, refraining from any conduct intended to harm the environment or natural or protected habitats, and from activities involving protected plant or animal species.

With specific reference to waste management, it is necessary to:

- Minimise waste generation as far as possible through reuse. Where reuse is not possible, Recipients of the Model must comply with internal provisions concerning the management and disposal of the waste produced, paying particular attention to waste separation;
- Ensure that those responsible for waste management, and for managing the suppliers engaged for that activity, scrupulously comply with all applicable legal provisions and exercise the utmost diligence.

9.4.2 Prohibited conduct

In general, Recipients of the Organisation, Management and Control Model are expressly prohibited from:

- Engaging in conduct which could, including through negligent cooperation, constitute any of the offences provided for under Legislative Decree 231/01;
- Discharging waste or hazardous substances into sewers, soil, surface water or groundwater; depositing waste or other substances without authorisation or contrary to company instructions; or using or possessing devices containing substances harmful to the atmospheric ozone layer;
- Transferring or disposing of waste generated by the Company's activities outside the waste management and disposal system established by the Company, by using waste disposal operators who are not authorised to perform that activity.

9.5 INFORMATION FLOWS

The Company must inform the Supervisory Body through the following periodic information flows:

- Report on the safeguards adopted by the Company to protect the environment (annually).

In addition to periodic information flows, Recipients must promptly inform the Supervisory Body in the event of:

- Anomalies or information concerning environmental violations, including suspected violations;
- Any significant departure from procedures in an emergency or where implementation is temporarily impossible, stating the reasons and any significant anomalies identified.

10. TAX MANAGEMENT

10.1 PREMISES AND OBJECTIVES OF THE PROTOCOL

This protocol, which forms an integral part of the Organisation, Management and Control Model pursuant to Legislative Decree 231/01, aims to define the roles, responsibilities, principles of conduct and controls that the Company intends to observe in relation to the various activities within the risk area under Legislative Decree 231/01 known as "Tax Management", in compliance with applicable legislation and the principles of transparency, objectivity and truthfulness of information, and with the aim of preventing the commission of offences under Legislative Decree 231/01 in carrying out those activities.

This protocol supplements the provisions contained in:

- The Articles of Association;
- The Code of Ethics;
- All procedures adopted by the Company, including those formalised pursuant to the regulatory requirements applicable to listed companies.

10.2 SCOPE OF APPLICATION

In accordance with Legislative Decree 231/01 and following the analysis carried out, this document seeks to prevent the commission, including in conjunction with third parties, of the following offences:

Article 25-quinquiesdecies of Legislative Decree 231/01:

- Fraudulent tax returns using invoices or other documents for non-existent transactions (Article 2 of Legislative Decree 74/2000);
- Fraudulent tax returns using other fraudulent means (Article 3 of Legislative Decree 74/2000);
- Issuing invoices or other documents for non-existent transactions (Article 8 of Legislative Decree 74/2000);
- Concealment or destruction of accounting records (Article 10 of Legislative Decree 74/2000);
- Fraudulent evasion of tax payments (Article 11 of Legislative Decree 74/2000);
- Inaccurate tax returns (Article 4 of Legislative Decree 74/2000);
- Failure to submit a tax return (Article 5 of Legislative Decree 74/2000);
- Undue offsetting of tax liabilities (Article 10-quater of Legislative Decree 74/2000).

10.3 ACTIVITIES

10.3.1 TAX MANAGEMENT

The activities relating to tax management may be summarised as follows:

1) Changes in tax legislation are communicated by the External Consultant (Accountant) by email (entitled "SEAC tax information bulletin"). This document is not issued periodically but is shared only when there are tax developments affecting ILPRA's business sector.

2) At the beginning of the year, the External Consultant (Accountant) sends the calendar of tax deadlines, which is received by the Finance and Administration Department. The deadlines are entered into an electronic calendar accessible to all staff in that Department. The calendar is regularly monitored on a monthly basis.
3) Management, calculation and settlement of taxes:
   c. Direct taxes: these taxes are calculated by the External Consultant (Accountant) after the Finance and Administration Department has supplied the necessary documents. The Accounting Department is responsible for paying these taxes by the deadlines indicated by the External Consultant.
   d. Indirect taxes: calculations are performed by the Accounting Office and the external payroll firm; payments are made internally by the statutory deadlines.
4) Some tax return forms are prepared internally by the Finance and Administration Department, while others are prepared directly by the External Consultants (Accountant and payroll firm), in each case with support from the Finance and Administration Department.

All tax returns are filed by the External Consultants (Accountant and payroll firm).

10.4 RULES OF CONDUCT

Operational activities connected with compliance with tax obligations must comply with applicable legislation, the principles of conduct laid down in the Code of Ethics and the operational safeguards described in the Organisation, Management and Control Model pursuant to Legislative Decree 231/2001.

10.4.1 GENERAL PRINCIPLES OF CONDUCT

In accordance with the principles of conduct and operational safeguards adopted, Recipients must, within their respective areas of responsibility:

- Comply with laws, regulations and, more generally, all applicable tax provisions;
- Ensure that all decisions are made by persons with appropriate competence and experience and are supported by suitable documentation;
- Act in accordance with the principle of utmost prudence. Accordingly, where the tax legislation applicable to a particular case is unclear or open to multiple interpretations, assistance must be sought from an external consultant with appropriate professional expertise. Where considered appropriate, a further professional assessment (a so-called second opinion) or forms of advance dialogue with the Tax Authorities may be used, with the aim of identifying, by mutual agreement and where reasonably possible through the mechanisms available under tax law, the most appropriate applicable tax treatment;
- Ensure that tax liabilities are correctly calculated and reported in tax returns in accordance with applicable rules and the instructions issued by the Tax Authorities;
- Develop and promote relationships with the tax authorities based on fairness, honesty and mutual transparency;
- Ensure the segregation of duties between the management of the Company's accounting records and their subsequent incorporation into tax returns, and between the assessment of taxes, the making of accounting entries and the payment of taxes due, including through established Company practices;

- Maintain accounting records and other documents that must be retained for tax purposes in a proper and orderly manner, implementing physical and/or IT safeguards to prevent their destruction and/or concealment;
- Comply with the deadlines and procedures prescribed by applicable legislation for preparing annual returns/certifications and making the related income tax and value added tax payments.

10.4.2 Prohibited conduct

In general, Recipients of the Organisation, Management and Control Model are expressly prohibited from:

- Making payments to third parties who are not parties to the contractual relationship between the Company and the contractual counterparty;
- Making any payment in the Company's interests without adequate supporting documentation;
- Making payments to third parties without first verifying that the service provided has been approved or that the goods covered by the invoice received have actually been delivered;
- Recording incoming or outgoing bank transactions in the accounts where there is no corresponding accounting documentation evidencing the actual receipt or performance of the service provided or received;
- Stating income items in amounts higher or lower than their actual value, or fictitious deductible items (e.g. costs not actually incurred and/or revenue stated above or below its true amount), by relying on false representations in mandatory accounting records and using means capable of obstructing their verification;
- Stating fictitious deductible items using invoices or other documents having evidential value equivalent to invoices and relating to non-existent transactions;
- Issuing invoices or other documents for non-existent transactions, or for transactions carried out only partially in comparison with the contractual agreements entered into with the counterparty;
- Concealing or destroying accounting records or documents subject to mandatory retention in such a way as to prevent the reconstruction of income, turnover or other economic and balance-sheet items relevant to the assessment of taxes;
- Failing to disclose information and data required by law concerning the Company's assets and its economic and financial position;
- Failing to pay taxes due;
- Using the offsetting mechanism under Article 17 of Legislative Decree 241/1997 by using non-existent or ineligible tax credits to offset tax liabilities in order to avoid paying taxes due;
- Carrying out sham disposals or other fraudulent acts involving their own or third-party assets with the aim of rendering wholly or partly ineffective any compulsory tax collection proceedings that may be initiated by the Tax Authorities.

10.5 INFORMATION FLOWS

In all cases, Recipients must promptly inform the Supervisory Body in the event of:

- Any conduct contrary to the provisions formalised in this protocol;
- Any significant departure from formalised procedures in an emergency or where implementation is temporarily impossible, stating the reasons and any significant anomalies identified.