ORGANIZATION, MANAGEMENT AND CONTROL MODEL - GENERAL SECTION

DATWYLER SEALING SOLUTION ITALY S.p.A.

Approved on January 2021

DATWYLER

SUMMARY

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LEGISLATIVE DECREE NO. 231 DATED 8 JUNE 2001 ON THE ADMINISTRATIVE LIABILITY OF LEGAL PERSONS, COMPANIES AND ASSOCIATIONS, INCLUDING THOSE WITHOUT LEGAL PERSONALITY

1. Administrative Liability of Legal Persons

Legislative Decree no. 231 dated 8 June 2001, implementing Law no. 300 of 29 September 2000, introduced in Italy the "Regulation on the administrative liability of legal persons, companies and associations, including those without legal personality" ("**Legislative Decree 231/2001**" or the "**Decree**"), which is part of an extensive legislative process to prevent corruption and aligns Italian legislation on the liability of legal persons with several international conventions previously signed by Italy.

Legislative Decree 231/2001 therefore establishes a system of administrative liability (substantially comparable to criminal liability) for legal persons[1] (the "**Entity(s)"**), which is in addition to the liability of the natural person (better identified below) who committed the offence and which aims to involve, in punishing the offence, the Entities whose interest or advantage the offence was intended for. This administrative liability exists only for the offences listed exhaustively in the same Legislative Decree 231/2001.

Article 4 of the Decree also specifies that in some cases and under the conditions set out in Articles 7, 8, 9 and 10 of the Criminal Code, there is administrative liability for Entities having their head office in the territory of the State for crimes committed abroad by natural persons (as better identified below) provided that the State of the place where the criminal act was committed does not take action against such Entities.

2. Persons subject to Legislative Decree 231/2001

The subjects who, by committing a crime in the interest or to the advantage of the Entity, can determine its liability, are listed below:

(i) natural persons holding top positions (representation, administration or management of the Entity or of one of its organizational units with financial and functional autonomy or persons who actually exercise management and control: the **"Top management"**);

(ii) natural persons subject to management or supervision by one of the top management (the **"Subordinate Persons/employees"**).

In this regard, it should be noted that it is not necessary for the Subordinate Persons/employees to have a subordinate employment relationship with the Entity, since this notion also includes "those employees who, although not <employees> of the Entity, have a relationship with it such as to make it considered that an obligation of supervision by the top management of the Entity exists: for example, of agents, partners in joint venture operations, the so-called "parasubordinates" in general, distributors, suppliers, consultants, collaborators"[2].

In fact, according to the prevailing law-cases, situations where a particular task is entrusted to external collaborators, required to perform it under the direction or control of Senior Management, are relevant for the purposes of the administrative liability of the entity.

It is however appropriate to reiterate that the Entity is not liable, by express legislative provision (article 5, paragraph 2, of the Decree), if the aforesaid persons have acted in their own exclusive

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[1] Art. 1 of Legislative Decree 231/2001 has defined the scope of the Addresses of the legislation as *"entities with legal personality, companies and associations, including those without legal personality"*. In the light of this, the legislation applies to the:

- entities that are privately owned, i.e. entities with legal personality and associations "even without" legal personality;
- entities with public subjectivity, i.e. entities with public subjectivity, but without public powers (so-called "public economic entities");
- entities with a mixed public/private subjectivity (so-called "joint enterprises").

The following are excluded from the list of Addresses: the State, local public boards (Regions, Provinces, Municipalities and Mountain Communities), non-economic public boards and, in general, all boards that perform functions of constitutional importance (Chamber of Deputies, Senate of the Republic, Constitutional Court, General Secretariat of the Presidency of the Republic, C.S.M., etc.).

[2] Thus verbatim: Circular Letter Assonime, dated 19 November 2002, n. 68.

interest or that of third parties. In any case, their behavior must refer to that "organic" relationship for which the acts of the natural person can be attributed to the Entity.

3. Crime Assumption

The Decree refers to the following types of offences ("**Crime Assumption**"):

(i) offences against the Public Administration referred to in articles 24 and 25 of Legislative Decree 231/2001. Article 25 was supplemented and amended by Law no. 190 of 6 November 2012 and further supplemented and amended by Law no. 3 of 9 January 2019 and by Legislative Decree no. 75 of 14 July 2020;

(ii) computer crimes and unlawful data processing, introduced by article 7 of Law no. 48 of 18 March 2008, which included article 24-bis in Legislative Decree 231/2001;

(iii) organised crime offences, introduced by article 2, paragraph 29, of Law 94 of 15 July 2009, which included article 24-ter in Legislative Decree 231 of 2001, subsequently supplemented by Law 172 of 1 October 2012, supplemented by Law 236 of 11 December 2016;

(iv) offences relating to forgery of money, public credit cards, revenue stamps and instruments or signs of recognition, introduced by article 6 of Law no. 406 of 23 November 2001, which introduced article 25-bis into Legislative Decree 231/2001, subsequently supplemented by article 15, paragraph 7, letter a), of Law no. 99 of 23 July 2009;

(v) crimes against industry and commerce, introduced by article 15, paragraph 7, letter b), of Law no. 99 of 23 July 2009, which inserted article 25-bis.1 into Legislative Decree 231/2001;

(vi) corporate offences, introduced by Legislative Decree no. 61 of 11 April 2002, which included in Legislative Decree 231/2001 article 25-ter, subsequently integrated by Law no. 190 of 6 November 2012, then amended by Law no. 69 of 27 May 2015, by Legislative Decree no. 38 of 15 March 2017 and most recently by Law no. 3 of 9 January 2019;

(vii) crimes for the purposes of terrorism or subversion of the democratic order, introduced by Law no. 7 of 14 January 2003, which introduced article 25-quater into Legislative Decree 231/2001;

(viii) practices of mutilation of the female genital organs, introduced by Law no. 7 of 9 January 2006, which included in Legislative Decree 231/2001 art. 25-quater.1, subsequently supplemented by Law no. 172 of 1 October 2012;

(ix) offences against the individual, introduced by Law 228 of 11 August 2003, which included article 25-quinquies in Legislative Decree 231 of 2001, subsequently supplemented by Law 172 of 1 October 2012, subsequently supplemented by article 6, paragraph 1, of Law 199 of 29 October 2016;

(x) market abuse offences, provided for by Law no. 62 of 18 April 2005, which included in Legislative Decree 231/2001 article 25-sexies and, within the TUF, article 187-quinquies "Liability of the entity";

(xi) crimes of manslaughter or serious or very serious injuries, committed in violation of the regulations on the protection of health and safety at work, introduced by Law no. 123 of 3 August 2007, which introduced article 25-septies into Legislative Decree 231/2001;

(xii) offences of receiving stolen goods, money laundering and use of money, goods or benefits of illegal origin, as well as self-money-laundering, introduced by Legislative Decree no. 231 of 2007, which included in Legislative Decree 231/2001 article 25-octies, subsequently integrated by Law no. 186 of 15 December 2014;

(xiii) copyright infringement offences, introduced by article 15, paragraph 7, letter c), of Law no. 99 of 23 July 2009, which inserted article 25-novies into Legislative Decree 231/2001;

(xiv) the crime of inducing people not to make statements or to make false statements to the judicial authorities, introduced by art. 4 of Law no. 116 of 3 August 2009, which introduced article 25-decies[3] into Legislative Decree 231/2001;

(xv) environmental crimes, introduced by Legislative Decree no. 121 of 2011, which included in Legislative Decree 231/2001 article 25-undecies, subsequently integrated by Law no. 68 of 22 May 2015;

(xvi) transnational crimes, introduced by Law no. 146 of 16 March 2006, "Law ratifying and implementing the United Nations Convention and Protocols against transnational organised crime";

(xvii) the crime of employment of third-country nationals whose stay is irregular, introduced by Legislative Decree no. 109 of 16 July 2012, concerning the "Implementation of Directive 2009/52/EC introducing minimum standards on penalties and measures against employers of third-country

[3] Originally 25-novies and so renumbered by Legislative Decree 121/2011.

nationals whose stay is irregular", which inserted Article 25-duodecies into Legislative Decree 231/2001;

(xviii) crimes of racism and xenophobia, introduced by art. 5 of Law no. 167 of 20 November 2017, the so-called European Law 2017, containing the "Provisions for the fulfilment of obligations deriving from Italy's membership of the European Union", which inserted in Legislative Decree 231/2001 art. 25-terdecies.

(xix) crimes of fraud in sports competitions, abusive exercise of gambling or betting and gambling exercised by means of prohibited devices, introduced by art. 5, paragraph 1, of Law n. 39 of 3 January 2019, containing the "Ratification and execution of the Convention of the Council of Europe on sports manipulations, made in Magglingen on 18 September 2014", which included in Legislative Decree no. 231 of 2001, article 25-quaterdecies

(xx) tax offenses, introduced by art. 39 by Legislative Decree no. 124 of 26 October 2019, containing the "Urgent provisions on tax matters and for undeliverable needs" subsequently integrated by Law n. 157 of 19 December 2019, which inserted Article 25-quinquiesdecies into Legislative Decree 231/2001 modified by Legislative Decree no. 75 of 14 July 2020.

(xxi) smuggling offences introduced by Article 5 of Legislative Decree no. 75 of July 14, 2020, implementing Directive (EU) 2017/1371 on countering fraud detrimental to the EU's financial assets through criminal law, which inserted Article 25-sexiesdecies into Legislative Decree no. 231 of 2001.

4. Penalties provided for in the Decree

Legislative Decree 231/2001 provides for the following types of penalties applicable to the entities covered by the legislation:

(a) administrative penalties;
(b) disqualification penalties;
(c) seizure of the price or profit of the offence;
(d) publication of the judgment.

(a) The administrative penalty, regulated by articles 10 et seq. of the Decree, constitutes the "basic" penalty of necessary application, for the payment of which the Entity is liable with its assets or with the common fund.

The Law has adopted an innovative criterion for the assessment of the penalty, attributing to the Judge the obligation to proceed with two different assessment. This entails a greater adaptation of the penalty to the severity of the event and to the economic conditions of the Entity.

The first evaluation requires the Judge to determine the number of shares (in any case not less than one hundred, nor more than one thousand)[4] taking into account:
- of the severity of the incident;
- the degree of liability of the Entity;
- the activity carried out to eliminate or mitigate the consequences of the fact and to prevent the commission of further offences.

During the second evaluation, the Judge determines, within the minimum and maximum values predetermined in relation to the offences punished, the value of each unit, from a minimum of Euro 258.00 to a maximum of Euro 1,549.00. This amount is fixed "on the basis of the economic and asset conditions of the entity in order to ensure the effectiveness of the penalty" (articles 10 and 11, paragraph 2, of Legislative Decree 231/2001).

As stated in point 5.1 of the Report to the Decree, "as regards the procedures for ascertaining the economic and financial conditions of the entity, the judge may make use of the financial statements or other records in any case suitable for photographing such conditions. In some cases, evidence may also be obtained taking into account the size of the institution and its market position. (...) The judge, with the support of consultants, cannot help but enter into the reality of the company, where

[4] With reference to the crimes of *market abuse*, the second paragraph of Article 25-sexies of Legislative Decree 231/2001 provides that: *"If, following the commission of the offences referred to in paragraph 1, the product or profit obtained by the entity is of significant entity, the penalty is increased up to ten times that product or profit*".

he will also be able to draw on information relating to the economic, financial and patrimonial soundness of the entity".

Article 12 of Legislative Decree 231/2001 provides for a series of cases in which the pecuniary penalty is reduced. They are summarised in the following table, indicating the reduction made and the conditions for the application of the same.

Reduction	Prerequisites
1/2 (and may not exceed Euro 103,291.00)	• The perpetrator of the offence committed the act in his/her own interest or that of a third party and the Entity did not obtain an advantage from it or obtained a minimum advantage from it; namely • the financial damage caused is of particular tenuousness.
from 1/3 to 1/2	[Before the opening of the hearing at first instance] • The Entity has fully compensated for the damage and has eliminated the harmful or dangerous consequences of the crime or has in any case effectively acted in this direction; namely • an organizational model suitable for preventing crimes of the type that have occurred has been implemented and made operational.
from 1/2 to 2/3	[Before the opening of the hearing at first instance] • The Entity has fully compensated for the damage and has eliminated the harmful or dangerous consequences of the crime or has in any case effectively acted in this direction; and • an organizational model suitable for preventing crimes of the type that have occurred has been implemented and made operational.

(b) The following **disqualification penalties** are provided for in the Decree and apply only in relation to the offences for which they are expressly provided for:

- prohibition from exercising the company's activity;
- suspension or revocation of authorizations, licenses or permits functional to the commission of the offence;
- prohibition to contract with the Public Administration, except to obtain the services of a public service;
- exclusion from benefits, financing, contributions and subsidies, and/or revocation of those already granted;
- prohibition to advertise goods or services.

In order for disqualification penalties to be imposed, at least one of the conditions set out in Article 13 of Legislative Decree 231/2001 must be met, namely:

- "the entity has made a significant profit from the offence and the offence has been committed by persons in a top management position or by persons subject to the direction of others when, in this case, the commission of the offence has been determined or facilitated by serious organizational deficiencies"; or

- "in case of recurrence of offences."[5]

In addition, disqualification penalties may also be requested by the Public Prosecutor and applied to the Entity by the Judge as a precautionary measure, when:

- there are serious indications that the Entity is responsible for an administrative offence arising from the crime;
- well-founded and specific elements emerge that make it possible to unveil a real danger that offences of the same nature as the one for which the action is being taken will be committed;
- the Entity has made a significant profit.

In any case, disqualification penalties do not apply when the offence has been committed in the prevailing interest of the author or of third parties and the Entity has obtained a minimum or zero advantage from it, or the financial damage caused is of particular tenuousness.

The application of disqualification penalties is also excluded by the fact that the Entity has put in place the restorative conduct provided for in Article 17 of Legislative Decree 231/2001 and, more precisely, when the following conditions are met:

- "the entity has fully indemnified the damage and has eliminated the harmful or dangerous consequences of the offence or has in any case effectively taken steps to this end";
- "the entity has eliminated the organizational deficiencies that led to the offence by adopting and implementing organizational models suitable for preventing offences of the type that have occurred";
- "the entity has made available the profit made for the purposes of seizure".

The disqualification penalties have a duration of no less than three months and no more than two years and the choice of the measure to apply and its duration is made by the Judge on the basis of the criteria previously indicated for the calculation of the pecuniary penalty, "taking into account the suitability of the individual penalties to prevent offences of the type committed" (art. 14, Legislative Decree 231/2001).

The Law has also specified that the prohibition of the activity has a residual nature with respect to the other disqualification penalties.

(c) Pursuant to Article 19 of Legislative Decree 231/2001, the judgment always provides for the **seizure** - even for the equivalent - of the price (money or other economic benefit given or promised to induce or determine another person to commit the offence) or the profit (immediate economic benefit derived) of the offence, except for the part that can be returned to the injured party and without prejudice to the rights acquired by third parties in good faith.

(d) The **publication of the judgment** in one or more newspapers, in excerpt or in full, may be ordered by the Judge, together with the posting in the municipality where the Entity has its main office, when a disqualification penalty applies. The publication is carried out by the competent Judge's Chancellery and at the expense of the Entity.

5. Attempted crimes

In the event of the commission, in the form of attempted commission, of the crimes assumed by the Decree, the pecuniary penalties (in terms of amount) and disqualification penalties (in terms of time) are reduced by one third to one half, while the imposition of penalties is excluded in cases where the Entity voluntarily prevents the action from being carried out or the event from taking place (article 26 of the Decree).

6. Behaviors releasing from liability

Articles 6 and 7 of Legislative Decree 231/2001, provide for specific forms of exemption from administrative liability of the Entity for crimes committed in the interest or to the advantage of the same both by Top Management and Subordinates (as defined in paragraph 1 above).

[5] Pursuant to Article 20 of Legislative Decree 231/2001, "*there is a recurrence when the entity, already definitively condemned at least once for an offence according to the offence, commits another offence in the five years following the definitive conviction*".

In particular, in the case of offences committed by Key Personnel, Article 6 of the Decree provides for exemption if the Entity proves that:

a) before the offence was committed, the management board adopted and effectively implemented an organizational and management model suitable for preventing offences of the type committed (the "**Model"**);
b) the task of supervising the functioning and observance of the Model as well as its updating has been entrusted to a board of the Entity (the "**Supervisory Board**" or the "**SB**"), endowed with autonomous powers of initiative and control;
c) the persons who committed the crime acted by fraudulently circumventing the Model;
d) there was no omission or insufficient supervision by the Supervisory Board.

With regard to the Subordinate Persons/employees, article 7 of the Decree provides for the exemption of liability in the event that the Entity has adopted and effectively implemented, before the crime was committed, a Model suitable for preventing crimes of the type of the one that has occurred.

The exemption from liability of the Entity is not, however, determined by the mere implementation of the Model, but rather by its effective implementation to be achieved through the implementation of all protocols and controls necessary to limit the risk of crimes commission that the Entity intends to prevent. In particular, with reference to the characteristics of the Model, the Decree expressly provides, in Article 6, paragraph 2, for the following preparatory phases for a correct implementation of the Model itself:

a) identification of activities where there is a possibility of offences being committed;
b) provision of specific protocols aimed at planning the creation and implementation of the decisions of the Entity in relation to the crimes to be prevented;
c) identification of the methods of management of financial resources suitable for preventing the commission of such offences;
d) obligations to provide information to the Supervisory Board;
e) introduction of a disciplinary system suitable for penalizing non-compliance with the measures indicated in the Model.

7. Guidelines

Upon specific indication of the Law, the Models may be adopted on the basis of codes of conduct drawn up by trade associations that have been communicated to the Ministry of Justice, which, in agreement with the competent Ministries, may make observations within 30 days on the suitability of the models to prevent crimes.

The preparation of this Model is inspired by the Guidelines to draft the Organisation, Management and Control Models pursuant to Legislative Decree 231/2001 of Confindustria ("**Guidelines"**).

The path indicated by the Guidelines for the elaboration of the Model can be outlined according to the following fundamental points:

- identification of the areas at risk, aimed at verifying in which areas/sectors of the company crimes can be committed;
- implementation of a control system capable of reducing risks through the implementation of appropriate protocols. In support of this, there is the coordinated set of organizational structures, activities and operating rules applied - on the instructions of the top management - by management and consultants, aimed at providing reasonable assurance as to the achievement of the objectives of a good internal control system.

The most important components of the preventive control system proposed by the Confindustria Guidelines are, as far as the prevention of malicious offences is concerned:

- the Code of Conduct and its Addendum;
- the organizational system;
- manual and IT procedures;
- the powers of authorisation and signature;

- the control and management system;
- communication to and training of staff.

With reference to culpable offences (offences relating to health and safety at work and - although subsequent to the issue of the Guidelines - the majority of environmental offences), the most significant components identified by Confindustria are:

- Code of Conduct and its Addendum with reference to the offences considered;
- organizational structure;
- training;
- communication and involvement;
- operational management;
- safety monitoring system.

The control system shall consist of the following principles

- verifiability, documentability, and consistency of each operation;
- segregation of functions (no one can independently manage all the phases of a process);
- control documents;
- introduction of an appropriate system of penalties for violations of the rules and protocols provided for by the Model;
- identification of a Supervisory Board whose main requirements are:
  - independence;
  - professionalism;
  - ongoing activity;

➢ obligation on the part of the company functions, and in particular those identified as most "at risk of crime", to provide information to the Supervisory Board, both on a structured basis (recurrent information in implementation of the Model itself), and to report anomalies or atypical situations found within the scope of the information available.

THIS MODEL

1. **Datwyler Sealing Solution Italy S.p.A.**

Datwyler Sealing Solution Italy S.p.A. ("**Datwyler**" or the "**Company**") is a joint stock company wholly (one hundred per cent) owned by Datwyler Pharma Packaging Italy S.r.l.

Datwyler, with registered office in Viadanica (BG), develops, manufactures and wholesales of rubber parts, both natural and synthetic, in plastic and in any other elastomer destined for the *Healthcare, Automotive, Civil Engineering e Consumer Goods* industry.

Datwyler is subject to the direction and coordination of Datwyler Pharma Packaging Italy S.r.l. pursuant to Article 2497 of the Italian Civil Code (the "**Parent Company**").

2. **This Model**

2.1 The aims of the Model

The Model prepared by Datwyler, on the basis of the identification of the areas of possible risk within which the possibility of offences being committed is considered to be the highest, aims to:

- prepare a prevention and control system aimed at reducing the risk of committing crimes connected with its activities;
- make all those who work in the name and on behalf of Datwyler, and in particular those engaged in "areas of activity at risk", aware that, in the event of violation of the provisions contained therein, they may incur in an offence punishable by criminal and administrative penalties, not only against themselves but also against the Company;
- inform all those who work with Datwyler that the violation of the prescriptions contained in the Model will entail the application of appropriate penalties or the termination of the contractual relationship;
- confirm that Datwyler does not tolerate unlawful conduct of any kind and for any purpose whatsoever and that, in any case, such conduct (even if Datwyler is apparently in a position to take advantage of it) is in any case contrary to the principles underlying the Company's business.

2.2 The drafting of the Model

On the basis of the Guidelines, the construction of the Model (and the subsequent drafting of this document) was divided into the phases described below:

(i) Preliminary examination of the company context through analysis of the relevant company documentation and carrying out interviews with Datwyler managers who are informed of its structure and activities, in order to define the organisation and the activities carried out by the various organizational units/functions, as well as examination of the processes in which the activities are articulated and their substantive and effective implementation;
(ii) identification of areas of activity and business processes that are "at risk" or "useful" for crimes commission , on the basis of the aforementioned preliminary examination of the business context (the "**Crime Risk Areas"**);
(iii) definition, as a hypothesis, of the main possible methods of commission of the Crimes assumed within the individual Crime Risk Areas;
(iv) detection and identification of the entity's control system aimed at preventing the commission of the Crimes Presumable.

2.3 The concept of acceptable risk

In the preparation of a Model, such as this one, the concept of acceptable risk cannot be neglected. It is, in fact, essential to establish, for the purposes of compliance with the provisions introduced by Legislative Decree 231/2001, a threshold that allows to limit the quantity and quality of prevention tools that must be adopted in order to prevent the commission of the crime. With specific reference to the penalty mechanism introduced by the Decree, the threshold of acceptability is represented by the effective implementation of an adequate preventive system that is such that it cannot be circumvented unless intentionally, or, for the purposes of excluding the entity from administrative

liability, the persons who committed the crime acted fraudulently by circumventing the Model and the controls adopted by the Company.

2.4 The structure of the Model and the Crime Assumption relevant for its drafting

Datwyler intended to draft a Model that would take into account its own particular reality and organizational structure, in line with its own governance system and capable of enhancing the value of existing controls and boards.

The Model, therefore, represents a consistent set of principles, rules and provisions that:

- affect the internal functioning of the Company and the way in which it deals with the outside world;
- regulate the diligent management of a control system for Offence Risk Areas, aimed at preventing the commission, or attempted commission, of the offences referred to in the Decree.

In particular, the Datwyler Model consists of a "**General Section**", which contains the key principles of the same and a "**Special Section**", in relation to the different categories of offences provided for by Legislative Decree 231/2001 and considered relevant to the Company.

The Special Section contains a brief description of the offences that may give rise to the Company's administrative liability, an indication of the Crime Risk Areas identified, a description of the main methods of committing the relevant types of offences with reference to each Offence Risk Area, as well as the general rules of conduct to which the Addresses of the Model (as defined below) must adhere in order to prevent the commission of such offences.

Also in consideration of the number of offences currently constituting the basis for the administrative liability of Entities pursuant to the Decree and, following a careful evaluation of the actual activity carried out by Datwyler and its history, the following offences have been considered relevant:

a. corruption (between individuals and against the Public Administration), as well as other offences against the Public Administration referred to in articles 24, 25 and 25-ter letter s-bis) of Legislative Decree 231/2001;
b. crimes against industry and commerce referred to in Article 25-bis.1 of Legislative Decree 231/2001;
c. crimes against the individual, referred to in Article 25-quinquies of Legislative Decree 231/2001;
d. culpable homicide or serious or very serious injuries committed in violation of the regulations on the protection of health and safety at work referred to in Article 25-septies of Legislative Decree 231/2001;
e. Receipt of stolen goods, money laundering and use of money, goods or benefits of illicit origin, as well as self-money laundering referred to in article 25-octies of Legislative Decree 231/2001;
f. environmental crimes referred to in article 25-undecies of Legislative Decree 231/2001;
g. employment of third-country nationals whose stay is irregular, referred to in Article. 25-duodecies, Legislative Decree 231/2001.
h. Tax offenses referred to in Article 25-quinquiesdecies, of Legislative Decree 231/2001.

Without prejudice to the above, the Company has in any case deemed it appropriate to provide, within the scope of the Code of Conduct and its Addendum, specific principles of conduct that must be respected by the Addresses in relation to the types of offences considered not relevant for Datwyler.

The Company and the Supervisory Board that will be appointed pursuant to this Model will regularly assess the completeness of the Model and its suitability to prevent offences in view of the substantive activity carried out by the Company and - if it should find that some cases not included in the above list have become relevant for the Company in the meantime - will promote the timely updating of the Model.

In any case, the ethical principles on which the Datwyler Model and its governance structure are based are aimed at preventing, in general, also those types of offences which, due to their low relevance or relevance to the Company's activities, are not specifically regulated in the Special Section of this Model.

2.5 Model Implementation

The implementation of this Model is entrusted by the Decree itself to the management board (and in particular to the Board of Directors), which is also assigned the task of integrating this Model with further Sections of the Special Section relating to other types of Crimes Assumed newly introduced in Legislative Decree no. 231 of 2001, or in the meantime considered relevant in view of the activity carried out by Datwyler.

3. Documents related to the Model

The following documents are an integral and substantial part of the Model:

- Code of Conduct and its Addendum containing all the rights, duties and responsibilities towards the Addresses of the Model itself (the "**Code of Conduct**");
- disciplinary system and penalizing mechanism thereof applicable in case of violation of the Model (the "**Penalizing System**");
- system of proxies, as well as all documents aimed at describing and assigning responsibilities and/or tasks to those who work within the Entity in the Crime Risk Areas (i.e. organization charts, service orders, job descriptions, job descriptions, function charts, etc.);
- a system of procedures, protocols, policies and internal controls aimed at ensuring adequate transparency and knowledge of decision-making and financial processes, as well as of the conduct to be adopted by the Addresses of this Model operating in the Offence Risk Areas.
  (the system of proxies, the procedures, protocols, policies and internal controls mentioned above will be referred to as the "**Procedures"**).

It follows that the term Model is to be understood not only as this document, but also as all the other documents and Procedures that will subsequently be adopted in accordance with the provisions of the same and that will pursue the purposes indicated therein.

4. Management of financial resources

Without prejudice to what is indicated in paragraph 2 above, taking into account that pursuant to Article 6, letter c) of Legislative Decree 231/2001, one of the requirements to which the Model must respond is also the identification of the methods for managing financial resources suitable for preventing the commission of offences, Datwyler has adopted specific protocols containing the principles and conduct to be followed in the management of such resources.

In particular, any payment or use of financial resources is subject to specific internal authorization procedures within the Company, which provide for a specific payment approval process.

5. Dissemination of the Model

5.1 Addresses

This Model takes into account the particular operational reality of Datwyler and represents a valid tool for raising the awareness and information of Top Management and Subordinates (the "**Addresses"**).

The purpose of this is to ensure that the Addressees, in the performance of their activities, follow correct and transparent behaviors in line with the ethical-social values which inspire the Company in the pursuit of its purpose and which, in any case, prevent the risk of crimes provided for by the Decree being committed.

In any event, the relevant corporate functions shall ensure that the principles and rules of conduct contained in the Model and the Code of Conduct and its Datwyler Addendum are incorporated into the Company's Procedures.

5.2 Staff Training and Information

It is Datwyler's objective to ensure that the Addresses are properly informed of the content of the Decree and the obligations deriving from it.

For the purposes of the effective implementation of this Model, training and information to Addresses is managed by the Company's HR department, in close coordination with the Supervisory Board and with the other departments from time to time involved in the application of the Model.

The main methods of carrying out the training/information activities necessary also for the purposes of compliance with the provisions contained in the Decree, relate to the specific information at the time of recruitment and the further activities deemed necessary in order to ensure the correct application of the provisions set out in the Decree. In particular, it is planned:

- an initial communication. The implementation of this Model is communicated by e-mail to all the resources present in Datwyler. In this regard, a copy of the Model - General Section and Special Section - Code of Conduct and related addendum is attached to this e-mail of communication of implementation. For all resources in Datwyler that do not have an e-mail account, these documents are delivered in electronic format with a USB stick or, for those who do not have the opportunity to consult the electronic format, by hand through a hard copy of them. New employees are given the Code of Conduct and related addendum and the Model - General and Special Sections of the Company. Furthermore, all Addresses are informed that the Model - General and Special Sections - the Code of Conduct and the related addendum are available both in paper form at the Company's registered office and in electronic form on the Company's intranet;
- a specific training activity. This "ongoing" training activity is compulsory and developed through IT tools and procedures (updating e-mails, self-assessment tools), as well as periodic training and updating meetings and seminars. This activity is differentiated, in terms of content and disbursement methods, according to the qualification of the Addresses, the level of risk in the area in which they operate, and whether or not they have representative functions of the Company.

In order to ensure the effective dissemination of the Model and the information of personnel with reference to the contents of the Decree and the obligations arising from its implementation, a hard copy of all the documents making up the Model, updated from time to time by the internal reference function in coordination with or on the instructions of the Supervisory Board, is filed at the Company's registered office.

5.3 Information to third parties and dissemination of the Model

Datwyler also provides for the dissemination of the Model to persons who have the same relationship of collaboration without subordination, consulting relationships, agency relationships, business relationships and other relationships that result in a professional service, not subordinate, both continuous and occasional (including those acting for suppliers and partners, including in the form of temporary association of companies, as well as joint ventures) ("**Third Parties"**).

In particular, the corporate functions, from time to time involved, provide third parties in general with appropriate information in relation to the implementation by Datwyler of the Model pursuant to Legislative Decree 231/2001. The Company also invites third parties to read the contents of the Code of Conduct and its Addendum and the General Section of the Model on the Company's website.

The contract includes specific clauses designed to inform third parties of the implementation of the Model by Datwyler, of which they state to have read and understood the consequences arising from the failure to comply with the precepts contained in the General Section of the Model, in the Code of Conduct and its Addendum, and they also undertake not to commit and to ensure that their top management or subordinates refrain from committing any of the Crime Assumption, which may result in the possible involvement of Datwyler.

6. **Whistleblowing**

In compliance with the provisions of Article 6, paragraph 2-bis, of Legislative Decree 231/2001, the Addresses of the Model who, as a result of the activities carried out, come into possession of information relating to illegal conduct pursuant to Legislative Decree 231/2001 and/or conduct in violation of the rules and principles contained in the Model, may make detailed reports, based on precise and consistent factual elements.

These reports may be made in accordance with the following alternative methods:

(a) by email to the following address: whistleblowing@datwyler.com which, as required by art. 6, paragraph 2-bis, letter a), of Legislative Decree 231/01, is suitable to ensure the confidentiality of the identity of the reporter;

(b) use of a dedicated telephone line: +800 875 11 000.

The board responsible for receiving and managing these reports is the Group Chief Compliance Officer, who in turn transmits reports of unlawful conduct pursuant to Legislative Decree 231/2001 and/or conduct in breach of the rules and principles contained in the Model to the Company's Supervisory Board.

All information provided will be evaluated immediately and treated confidentially in accordance with the provisions of confidentiality applicable to the processing of data, without prejudice to legal obligations and the protection of the rights of the Company or persons wrongly and/or in bad faith accused.

Individuals who provide detailed reports of unlawful conduct or violations of the Model relevant under Legislative Decree 231/2001 will be guaranteed from any form of retaliation, discrimination or penalty.

It should also be noted that in the case of reports or denunciations made within the limits of Article 6, paragraph 2-bis, of Legislative Decree 231/2001, the pursuit of the interest in the integrity of the Company as well as in the prevention and repression of embezzlement constitutes a just cause for the disclosure of information covered by the obligation of secrecy pursuant to Articles 326, 622 and 623 of the Penal Code and Article 2105 of the Civil Code.

ELEMENTS OF THE GOVERNANCE MODEL AND THE GENERAL ORGANIZATIONAL STRUCTURE OF DATWYLER

1. The Datwyler Governance Model

Datwyler is 100% (one hundred percent) owned by Datwyler Pharma Packaging Italy S.r.l.

The Company is managed by a Board of Directors endowed with all the widest powers of ordinary and extraordinary management of the Company, with the power to perform all the acts, including acts of disposition, necessary for the implementation and achievement of the Company's objectives.

The Board of Directors has appointed a Managing Director who has been granted, inter alia, the power to represent the Company in dealings with third parties, any judicial, administrative and/or institutional authority and any public or private office.

The Company has appointed a Board of Statutory Auditors, consisting of 3 acting members and 2 alternate members, and an independent auditors.

2. Datwyler's internal control system

Datwyler has adopted the following general tools, aimed at planning the formation and implementation of the Company's decisions (also in relation to the crimes to be prevented):

- the ethical principles on which the Company is based;
- the documentation and provisions concerning the hierarchical-functional corporate and organizational structure;
- the internal control system and the structure of company procedures;
- company communications and circular letters addressed to personnel;
- the compulsory, appropriate and differentiated training of all staff;
- the system of penalties provided for in the CCNL;
- the board of national law and regulations, where applicable.

3. General principles of control in all Crime Risk Areas

In addition to the specific controls described in the Special Section of this Model, Datwyler has implemented specific general controls applicable in all Crime Risk Areas.

These are, in particular, the following:

- **Transparency**: every transaction/transaction/action must be justifiable, verifiable, consistent and congruent;
- **Segregation of Functions/Powers**: no one can independently manage an entire process and can be endowed with unlimited powers; authorisation and signing powers must be defined in a manner consistent with the organizational responsibilities assigned;
- **Adequacy of internal rules**: the set of company rules must be consistent with the operations carried out and the level of organizational complexity and such as to ensure the necessary controls to prevent the commission of the crimes provided for in the Decree;
- **Traceability/Documentability**: each transaction/transaction/action, as well as its verification and control activity must be documented and the documentation must be properly archived.

THE SUPERVISORY BOARD

1. Characteristics of the Supervisory Board

According to the provisions of Legislative Decree 231/2001 (articles 6 and 7), as well as the indications contained in the Confindustria Guidelines, the characteristics of the Supervisory Board, such as to ensure effective and efficient implementation of the Model, must be:

(a) autonomy and independence;
(b) professionalism;
(c) ongoing activity.

Autonomy and independence

The requirements of autonomy and independence are fundamental so that the SB is not directly involved in the management activities that constitute the object of its control activity and, therefore, does not suffer from conditioning or interference by the management board.

These requirements can be achieved by ensuring that the Supervisory Board has the highest possible hierarchical position, and by providing for reporting to the top management, i.e. the Board of Directors. For the purposes of independence, it is also essential that the SB not be assigned operational tasks, which would compromise its objectivity of judgment with reference to checks on the conduct and effectiveness of the Model.

Professionalism

The Supervisory Board must have technical and professional skills appropriate to the functions it is called upon to perform. These characteristics, combined with independence, guarantee objectivity of judgment[6].

Ongoing activity

The SB must:

- continuously carry out, also through the company's internal functions, the activities necessary for the supervision of the Model with adequate commitment and with the necessary powers of investigation;
- be a structure attributable to the Company, acting with due continuity in its supervisory activities.

To ensure the effective existence of the requirements described above, it is advisable that these persons possess, in addition to the professional skills described above, the formal subjective requirements that further guarantee the autonomy and independence required by the task (e.g. honorability, absence of conflicts of interest and family relations with corporate boards and the top management, etc.).

2. Identification of the Supervisory Board

Datwyler Board of Directors has appointed as the Company Supervisory Board, a board that guarantees the autonomy of the control initiative from any interference and/or conditioning by any member of the organisation, while at the same time ensuring sufficient continuity of action and, overall, makes it possible to satisfy the requirement of professionalism in relation to the various categories of Crimes assumed.

[6] This refers, inter alia, to: risk analysis and assessment techniques; measures for their containment (organisational procedures, mechanisms for opposing tasks, etc.); *flow charting* of procedures and processes for identifying weaknesses, interview techniques and questionnaire processing; methodologies for detecting fraud; etc.. The Supervisory Board must have powers of inspection (to ascertain how an offence of the type in question could have occurred and who committed it), advisory powers (to adopt - at the time of the design of the Model and subsequent amendments - the most suitable measures to prevent, with reasonable certainty, the commission of the offences themselves) or, again, currently to verify that daily conduct actually complies with those codified) and legal powers. Legislative Decree 231/2001 is a criminal law and since the activity of the Supervisory Body is aimed at preventing the commission of offences, it is therefore essential to be aware of the structure and methods of commission of the offences (which may be ensured through the use of company resources, or external consultancy).

3. Term of office and grounds for termination

The Supervisory Board remains in office for the term indicated in the deed of appointment and may be renewed.

The termination of the office of the SB may occur for one of the following reasons:

- the term of office expires;
- revocation of the Board by the Board of Directors;
- waiver of a member, formalised by means of a specific written communication sent to the Board of Directors;
- one of the grounds for revocation referred to in paragraph 4 below arises.

The withdrawal of the SB can only be ordered for just cause and such must be understood, by way of example, the following assumptions:

- the case in which the member is involved in a criminal trial concerning the commission of a crime;
- the case in which it is found that the SB has violated the obligations of confidentiality provided for;
- serious negligence in the performance of the tasks connected with the assignment.

Revocation is ordered by resolution of the Company, subject to the binding opinion of the Board of Statutory Auditors of the Company.

In the event of expiration, revocation or waiver, the Board of Directors appoints the new member of the SB without delay, while the outgoing member remains in office until his/her replacement.

4. Cases of ineligibility and disqualification

These are grounds for ineligibility and/or forfeiture of the member of the Supervisory Board:

a) disqualification, bankruptcy or, in any case, a criminal conviction, even if not final, for one of the offences provided for by the Decree or, in any case, a penalty involving disqualification, even temporary, from public office or the inability to hold managerial positions;
b) the existence of a family relationship, spouse or affinity up to the fourth degree with the Board of Directors or with the Board of Statutory Auditors of the Company.

If, during the appointment, a cause for forfeiture should arise, the member of the Supervisory Board is required to immediately inform the Board of Directors.

5. Functions, tasks and powers of the Supervisory Board

In compliance with the indications provided by the Decree and by the Guidelines, the function of the Supervisory Board consists, in general, in:

- monitor the effective application of the Model in relation to the different types of offences considered by it;
- verify the effectiveness of the Model and its real capacity to prevent the commission of the offences in question;
- identify and propose to the Board of Directors updates and amendments to the Model itself in relation to the amended legislation or to the changed needs or company conditions. In particular, to point out the need to draw up new sections of the Special Section in order to better prevent the commission of Predicate Offences that have become relevant for Datwyler in the meantime;
- verify that the proposals for updates and amendments by the Board of Directors have actually been incorporated into the Model.

As part of the function described above, the Supervisory Board is responsible for the following tasks:

- regularly check the map of the Crime Risk Areas and the adequacy of the control points in order to allow them to be adapted to changes in the company's activities and/or structure. To this end, the

Addresses of the Model, as better described in the Special Sections of the same, must report to the Supervisory Board any situations that may expose Datwyler to the risk of crime. All communications must be in writing and sent to the appropriate e-mail address activated by the SB;

- regularly carry out, on the basis of the activity plan of the SB previously established, targeted checks and inspections on certain operations or specific acts, carried out within the Crime Risk Areas;
- collect, process and store the information (including the reports referred to in the next paragraph) relevant to compliance with the Model, and update the list of information that must be transmitted to the SB itself;
- conduct internal investigations to ascertain alleged violations of the provisions of this Model brought to the attention of the Supervisory Board by specific reports or which emerged during the course of its supervisory activities;
- verify that the elements provided for in the Model for the different types of offences (standard clauses, procedures and related controls, system of proxies, etc.) are effectively adopted and implemented and meet the requirements of compliance with Legislative Decree 231/2001, providing, if not, to propose corrective actions and updates thereof.

For the performance of the functions and duties indicated above, the Supervisory Board is granted the following powers:

- have extensive and widespread access to the various company documents and, in particular, to those concerning contractual and non-contractual relations established by the Company with third parties;
- avail themselves of the support and cooperation of the various company structures and corporate boards that may be interested in, or otherwise involved in, the control activities;
- confer specific consulting and assistance assignments on professionals, including those outside the Company.

6. Resources of the Supervisory Board

The Board of Directors assigns to the SB the human and financial resources it deems appropriate in order to carry out the task assigned to it. In particular, the Supervisory Board is granted autonomous spending powers, as well as the power to stipulate, modify and/or terminate professional assignments to third parties who possess the specific skills necessary for the best performance of the assignment.

7. Information flows of the Supervisory Board

7.1 Obligations to inform the Supervisory Board

In order to facilitate the monitoring of the effectiveness of the Model, the Supervisory Board must be informed, by means of specific reports from the Addresses (and, where appropriate, Third Parties) on events that could involve the liability of Datwyler pursuant to Legislative Decree 231/2001.

The information flows to the SB are divided into periodic information and information in the event of particular events.

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In the first case, the following requirements apply:

- Addresses are required to report to the SB any information relating to the commission, or reasonable belief in the commission, of offences or practices not in line with the procedures and rules of conduct issued or to be issued by Datwyler;
- Third parties are required to report the commission, or reasonable belief in the commission, of offences within the limits and in accordance with the procedures set out in the contract;
- Third parties are required to make any reports directly to the Supervisory Board.

In addition to the reports relating to the general violations described above, the information relating to these violations must be obligatorily and promptly transmitted to the Supervisory Board:

- measures and/or information from the judicial police or any other authority relating to the conduct of investigations involving Datwyler or the members of the company boards;
- any reports prepared by the heads of other boards (for example, the Board of Statutory Auditors) as part of their control activities and from which facts, acts, events or omissions with critical profiles with respect to compliance with Legislative Decree 231/2001 may emerge;
- information relating to disciplinary proceedings as well as any penalties imposed or measures taken to close such proceedings with the relevant reasons, if they are linked to the crimes commission or violation of the rules of conduct or procedures of the Model;
- the commissions of inquiry or internal reports/communications from which the liability for the hypotheses of crime pursuant to Legislative Decree 231/2001 emerges;
- organizational changes;
- updates to the system of delegations and powers;
- particularly significant operations carried out within the Crime Risk Areas;
- changes in Crime Risk Areas or areas potentially at risk;
- any communications from the Board of Statutory Auditors regarding aspects that may indicate deficiencies in the internal control system, censurable facts and observations on the Company's financial statements;
- the declaration of truthfulness and completeness of the information contained in the corporate communications;
- a copy of the minutes of the meetings of the Shareholders' Meeting and the Board of Statutory Auditors.

Further flows are indicated in Annex A to this Model.

The Company adopts specific information channels in order to guarantee the confidentiality referred to above and facilitate the flow of reports and information to the Board.

Without prejudice to the above, the SB - as described above - may identify and propose to the Board of Directors the establishment of specific periodic flows, with a view to obtaining useful information for the purposes of monitoring the adequacy and effectiveness of the Model, as well as identifying any anomalies or atypical features found in the information available, proposing the relevant corrections.

Pursuant to paragraph 6 of section 2 above, relevant reports are forwarded to the Supervisory Board. In this regard, the SB evaluates the reports received with discretion and liability. To this end, it may listen to the author of the report and/or the person responsible for the alleged violation, giving written reasons for any independent decision not to proceed. In any case, bona fide whistleblowers will be guaranteed against any form of retaliation or penalty and will be given the utmost confidentiality, without prejudice to legal obligations and the needs of protection of the Company or persons wrongly or in bad faith accused.

7.2 Information obligations of the Supervisory Board

Given that the liability for adopting and effectively implementing the Model remains with the Company's Board of Directors, the SB reports on the implementation of the Model and the occurrence of any critical issues.

In particular, the Supervisory Board has the liability towards the Board of Directors of:
- promptly communicate any problems related to the activities, where relevant;
- report, on an annual basis, on the implementation of the Model.

The SB will be required to report regularly, in addition to the Board of Directors, also the Board of Statutory Auditors on its activities.

The Board may request to be convened by the aforementioned boards to report on the functioning of the Model or on specific situations. Meetings with the social boards to which the SB refers must be recorded. A copy of these minutes will be kept by the Supervisory Board and the boards involved from time to time.

Without prejudice to the above, the Supervisory Board may also communicate, assessing the individual circumstances:

(i) the results of their own checks to the heads of functions and/or processes where the activities give rise to aspects that could be improved. In this case, it will be necessary for the SB to obtain from the process managers an action plan, with timing thereof, for the implementation of activities that can be improved as well as the result of such implementation;

(ii) report to the Board of Directors and the Board of Statutory Auditors conduct/actions that are not in line with the Model in order to:

a) to obtain from the Board of Directors all the elements necessary to make any communications to the structures responsible for the evaluation and application of disciplinary penalties;

b) to give an indication for the removal of the deficiencies in order to avoid a repetition of the event.

Finally, the Board is obliged to inform the Board of Statutory Auditors immediately if the violation concerns the Board of Directors.

SYSTEM OF PENALTIES FOR FAILURE TO COMPLY WITH THIS MODEL AND THE RULES AND REGULATIONS REFERRED TO THEREIN

1. General principles

Datwyler acknowledges and states that the preparation of an adequate penalty system for the violation of the rules contained in the Model, in the relevant Annexes and in the Procedures is an essential condition to ensure the effectiveness of the Model itself.

In this regard, in fact, Article 6, paragraph 2, letter e) of the Decree provides that the models of organization and management must "introduce a disciplinary system suitable for penalizing non-compliance with the measures indicated in the model".

Pursuant to Article 2106 of the Italian Civil Code, with reference to employment relationships, this system of penalties supplements the provisions of the National Collective Labor Agreement for employees in the rubber industry, electrical cables and similar and in the plastics industry applied to the non-managerial workforce of the National Collective Labor Agreement for Executives of industrial companies (the "**CCNL Dirigenti Industria**") applied to the managerial workforce.

Violation of the rules of conduct and measures provided for by the Model and the related Procedures by employees - including Executives - of Datwyler constitutes a breach of the obligations arising from the employment relationship, pursuant to the legislation in force and the contractual provisions.

More precisely, failure to comply with the rules and provisions contained in the Model and in the relevant Procedures damages, in itself, the relationship of trust established with Datwyler and entails actions of a punitive nature. This is also in compliance with the principles of timeliness and immediacy of the contestation and imposition of penalties, in compliance with the laws in force on the subject.

Furthermore, in the event that any person with whom the Company comes into contractual contact (regardless of the formal nature or otherwise of the relationship) violates the rules and provisions of the Model and the related Procedures, the contractual penalties provided for by this system of penalties shall apply, the general principles of which must be considered, for all legal purposes, an integral part of the contractual agreements in place with the parties concerned.

Finally, it should be noted that the application of the penalties described in this system of penalties does not depend on the outcome of any criminal proceedings, since the rules of conduct imposed by the Model and the related Procedures are adopted by Datwyler in full autonomy and independently of the type of offences referred to in Legislative Decree 231/2001.

For the purposes of assessing the effectiveness and suitability of the Model to prevent the offences indicated in Legislative Decree 231/2001, the Model must identify the conduct that can be penalized as being suitable for committing the type of offence, as well as the related penalties.

This is because Article 6, paragraph 2, of Legislative Decree 231/2001, in listing the elements that must be found in the models prepared by the company, letter e) expressly provides that the company has the burden of "introducing a disciplinary system suitable to penalty the failure to comply with the measures indicated by the model".
The concept of a disciplinary system suggests that the Company should proceed to a graduation of the applicable penalties, in relation to the different degree of probability that certain behaviours may constitute specific hypotheses of crime.

Therefore, a disciplinary system has been created which, first of all, penalties all breaches of the Model, from the lightest to the most serious, by means of a system of gradualness of the penalty and which, secondly, respects the principle of proportionality between the conduct adopted and the penalty imposed.

By virtue of the principles set out above, the disciplinary power referred to in Legislative Decree

231/2001 is exercised (as "Employer") by the Board of Directors of the Company, following notification and evaluation of the same, coming from any other person to whom the relevant powers are and/or will be attributed.

In particular, the disciplinary power will be exercised, with regard to employees, by virtue of art. 2106 of the Civil Code and, with regard to third parties, by virtue of specific clauses contained in the contracts entered into with them.

2. Definition of "Violation" to apply this Penalty System

By way of example, a "**Violation"** of this Model and the Procedures thereof is:

- the implementation of actions or behaviors, which do not comply with the law and the Model and in the Procedures thereof, which involve a situation even if only of a mere risk of committing one of the crimes stated by Legislative Decree 231/2001;
- the omission of actions or behaviors prescribed in the Model and in the Procedures thereof that entail a situation even if only of a mere risk of committing one of the offences stated by Legislative Decree 231/2001;
- the implementation of actions or behaviors that violate the measure of protection of the subjects in order to protect the integrity of the entity, make detailed reports of illegal conduct or violations of the Model, relevant pursuant to Legislative Decree 231/2001 through the channels provided for under art. 6 of Legislative Decree 231/2001;
- the making of detailed reports of unlawful conduct or violations of the Model, relevant pursuant to Legislative Decree 231/2001, willfully performed by the reporting party and which prove to be ungrounded as a result of the planned checks and controls;
- the omission of the checks and controls provided for by Legislative Decree 231/2001 in the event that the persons identified as Addresses of the report receive a detailed report of unlawful conduct or violations of the Model, relevant pursuant to Legislative Decree 231/2001.

3. Criteria for the application of penalties

The type and extent of the specific penalties will apply in proportion to the seriousness of the breach and, in any case, on the basis of the following general criteria:

- subjective element of conduct (willfulness, guilt);
- importance of the obligations breached;
- the potential damage for Datwyler;
- level of hierarchical liability or related to compliance with laws, regulations, orders or associated with the job position held by the person concerned;
- presence of aggravating or mitigating circumstances, with particular regard to any precedent attributed to the person who committed the unlawful conduct;
- any sharing of liability with other employees or third parties in general who have contributed to the Violation.

Where several offences have been committed in a single act and are punishable by different penalties, only the most serious penalty shall apply.

In any case, disciplinary penalties against employees must be imposed in compliance with Article 7 of Law 300/70 (the "**Workers' Statute**") and all other existing legislative and contractual provisions on the subject.

4. Penalties for employees

The conduct of employees in violation of the rules contained in this Model and in the Procedures is defined as disciplinary offences.

Article 2104 of the Civil Code, identifying the employee's duty of care and "obedience", requires the employee to observe, in the performance of his/her duties, the provisions of a legal and

contractual nature, as well as the directives issued by the employer, as well as the employees of the latter on whom he is hierarchically dependent.

In the event of non-compliance with these provisions, the employer may impose disciplinary penalties, graduated according to the seriousness of the infringement, in compliance with the provisions contained in Article 7 of the Workers' Statute and/or the National Collective Labour Agreement applied (below).

The system of penalties, in any case, must respect the limits on the employer's disciplinary power imposed by the Workers' Statute and all other existing legislative and contractual provisions, both as regards the applicable penalties and as regards the form of exercise of such power.

In particular, the system of penalties must comply with the following principles:

- the system must be duly publicized by posting it in a place accessible to employees and, if necessary, must be the subject of specific refresher and training courses for the Addresses;
- the penalties must comply with the principle of proportionality in relation to the infringement, the specification of which is entrusted to National Collective Bargaining Agreement of the relevant sector;
- the most serious disciplinary measures of verbal reprimand cannot apply before 5 days have elapsed from the written complaint of the fact that gave rise to the complaint, so as to allow the person against whom the complaint is addressed to exercise their right of defense (in accordance with the provisions of the National Collective Bargaining Agreement applied and art. 7 of the Workers' Statute).

The Infringement by employees, pursuant to paragraph 3 above of this Model may give rise, according to the seriousness of the Infringement itself, to the various types of measures provided for by the Law and/or the National Collective Labor Agreement and in the National Collective Labour Agreement for Industry Managers indicated above, established in application of the principles of proportionality, as well as the criteria for correlating the infringement-penalties and, in any case, in compliance with the form and methods provided for by current legislation.

4.1 Employees in non-management positions

As mentioned above, Datwyler applies the National Collective Bargaining Agreement for employees in the rubber, electrical and related cables and the plastics industry to its non-managerial employees.

For the purposes of this system of penalties, the disciplinary measures that can be imposed on Datwyler's employees pursuant to the National Collective Labour Agreement may consist of:

- verbal recall;
- written warning;
- fine up to the amount of 3 hours of pay and contingency allowance;
- suspension from work for up to three days;
- Disciplinary dismissal with or without notice, according to the seriousness of the offence.

Without prejudice to Datwyler's rights, powers and obligations under the Workers' Statute, the National Collective Labour Agreement, any special regulations and applicable provisions, as well as the applicable internal regulations, the conduct that can be penalized against Datwyler's employees for the purposes of this penalizing system, since it is considered and recognised by Datwyler as a disciplinary offence, are:

1. violation, infringement, circumvention, imperfect or partial application of the prescriptions contained in the Model and in the relevant Procedures on a culpable basis;
2. violation, infringement, circumvention, imperfect or partial application of the prescriptions contained in the Model and in the relevant Procedures, intentionally;
3. violation, infringement, circumvention, imperfect or partial application of the prescriptions contained in the Model and in the relevant Procedures, intentionally, in the case of the commission of a relevant offence pursuant to Legislative Decree 231/2001.

The imposition of a disciplinary penalty for violation of the Model must be notified in advance to the Supervisory Board.

The Supervisory Board must also be notified of any archiving measure concerning the disciplinary proceedings referred to in this point.

4.2 Executives

In compliance with the provisions of the National Collective Labour Agreement for Industry Executives, the disciplinary penalties for violations of the Model and the relevant Procedures in the individual employment contracts of the individuals concerned and in the relevant supplementary agreements are applicable to personnel in a "managerial" position.

The greater severity of the penalties that can be imposed on workers with managerial qualifications compared to the rest of the staff, for the same violation, finds its purpose in being in the greater degree of diligence and professionalism required by the position held.

In assessing the seriousness of the Infringement committed by personnel with the qualification of "Manager", Datwyler takes into account the powers given, the technical and professional skills of the person concerned, with reference to the operating area in which the Infringement occurred, as well as any involvement in the Infringement, even if only in terms of mere knowledge of the facts charged, of personnel with a lower qualification.
If the violation of the Model results in a lack of trust between the Company and the Manager, the penalty will be identified as dismissal for just cause.

A manager who commits a violation or fails to comply with a specific obligation to supervise subordinates may be punished with the disciplinary measures referred to above.

5. Board of Directors

In the event of a breach of the rules by a Director of Datwyler, the Supervisory Board will immediately inform the Shareholders' Meeting and the Board of Statutory Auditors for the appropriate assessments and measures.

In the event that the Director, the alleged perpetrator of the offence from which the Company's administrative liability derives, has been indicted, the Chairman of the Supervisory Board of Datwyler (or another member) must call a Shareholders' Meeting to resolve on the possible revocation of the mandate.

6. Statutory Auditors

In the event of Violation of the rules by one or more members of the Board of Statutory Auditors, the Supervisory Board informs the Board of Directors and the Board of Statutory Auditors and at the request of the Board of Directors the Shareholders' Meeting will be convened to adopt the appropriate measures.

7. Third parties: collaborators, agents and external consultants

In the case of Violation of the rules by collaborators, agents or external consultants, or, more generally, by third parties, the Company, according to the seriousness of the violation: (i) will call the parties concerned to strict compliance with the provisions therein; or (ii) will be entitled, according to the different types of contract, to withdraw from the existing relationship for just cause or to terminate the contract for breach of the abovementioned subjects.

To this end, Datwyler has provided for the inclusion of specific clauses in their contracts that provide: (a) informing third parties of the implementation of the Model and the Code of Conduct and its Addendum by Datwyler, of which they state to have read, undertaking to respect its contents and not to behave in a manner that may lead to a violation of the law, the Model or the commission of any of the Crimes Precondition from which may derive an even indirect involvement for Datwyler; (b) the right for the Company to terminate the relationship or the contract (with or without the application of penalties), in the event of non-compliance with such obligations.

8. Register

The Company shall adopt a register (the "**Register**") in which all persons who have committed an Infringement pursuant to paragraph 2 above shall be entered. Entry in the Register entails the prohibition of the establishment of new contractual relations with the parties concerned, unless the Board of Directors decides otherwise.

The data entered in the Register will be kept by Datwyler for the period of time necessary for the purposes of the commencement of the provisions relating to the enforceable rights in relation to the Violations committed.

9. Penalties pursuant to Article 6, paragraph 2-bis, letter d), of Legislative Decree 231/01 and subsequent amendments and integrations.

In compliance with the provisions of Article 6, paragraph 2-bis, of Legislative Decree 231 of 2001 and subsequent amendments and integrations, in the case of:

(i) acts of retaliation or discrimination, direct or indirect, against the reporter for reasons directly or indirectly related to the Report;
(ii) violation, by the board responsible for receiving and/or managing the Report, of the obligations of confidentiality of the identity of the reporter;
(iii) failure of the board responsible for receiving and/or managing the Report to carry out the necessary checks to assess the merits of the facts to be reported;
(iv) carrying out, with intent or gross negligence, unfounded Reports,

the disciplinary measures referred to in the previous paragraphs (see paragraphs 4 to 7) will apply in relation to the person who has put in place even just one of the above cases, according to the relevant company position held.

Dätwyler Sealing Soluton Italy S.p.A.,
Via Castello 14/A, 24060 Viadanica (BG)
T +39 035 939911
info@datwyler.com, www.datwyler.com

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