

FEDRIGONI

GLOBAL POLICY ON GIFTS, ENTERTAINMENT EXPENSES AND SPONSORSHIPS



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1. Introduction

Fedrigoni S.p.A. and its subsidiaries (hereinafter referred to as the “Fedrigoni Group”) operate in a framework of fair competition with honesty, integrity, probity and transparency, respecting employees, customers, commercial and financial partners, collective bodies and the local communities in which the Group carries out its business.

The Fedrigoni Group occasionally offers meals, gifts and other benefits as part of its normal business activities. In accordance with its Global Anti-Corruption Policy, the Fedrigoni Group prohibits the offering or receipt of gifts, other gratuities and related expenses, including sponsorships, whenever these may unduly influence or be perceived to have an undue influence on the outcome of business transactions, or are otherwise deemed to be unreasonable or not in good faith. Employees or third parties acting on behalf of the Fedrigoni Group who offer or receive inappropriate gifts or other benefits expose the Fedrigoni Group and its staff to the risk of civil and criminal sanctions or penalties.

To ensure compliance with legislation, the purpose of this document is to set down the rules and principles of conduct to be followed when giving or receiving gifts, gratuities or sponsorships, as well as other forms of entertainment and related expenses, provided on the initiative of Fedrigoni Group Companies in favour of external entities or following requests received from third parties.

2. RECIPIENTS

This Global Policy applies to all employees of the Fedrigoni Group, with particular reference to all Company representatives involved, in various capacities, in the process of managing gifts, other gratuities, entertainment expenses and sponsorships. It is understood that these provisions also apply to third parties (natural and legal persons) who provide services on behalf of the Company (hereinafter referred to as the “Recipients”).

As part of the Fedrigoni Group's ongoing commitment to compliance, all Recipients must receive and carefully read a copy of this Policy and then certify via Workday the following: (1) They have read the Policy; (2) They undertake to abide by it; and (3) They undertake to report any potential infringements thereof using the Whistleblowing Channel available via Workplace or the company website.

3. SCOPE OF APPLICATION

This Global Policy applies to Recipients in relation to the following:

- Gifts and gratuities:



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- Offering or giving gifts;
- Receipt of gifts and entertainment by Fedrigoni Group employees;
- Donations;
- Entertainment expenses:
 - Hospitality and other expenses incurred on behalf of third parties;
 - Travel and accommodation expenses paid out on behalf of third parties;
- Sponsorships

bestowed on customers and suppliers, including potential ones, government officials (as defined below), officials of regulatory bodies, or other entities.

Recipients must read and abide by this Global Policy before engaging in any of the above activities. If a Recipient is aware of any of the aforementioned expenses being incurred without complying with the rules laid down in this Global Policy, he/she must immediately inform the corporate body entrusted with compliance duties of any alleged infringements, even if these are unintentional. This means the Internal Audit Risk & Compliance Department and, for the Italian Companies, the Supervisory Body ("SB"), pursuant to Italian Legislative Decree Number 231/2001. If the Recipient receives a gift or an offer of another form of benefit, he/she should refer to this Global Policy before acceptance thereof.

4. PURPOSE

This Global Policy aims to provide guidelines and instructions to be followed for the proper management of gifts, entertainment expenses and sponsorships. This Global Policy may also be used in order to facilitate implementation of the legal provisions applicable for preventing.

5. PRINCIPLES OF CONDUCT

Gifts, other gratuities and entertainment expenses may be made or received if they fall within the framework of acts of commercial courtesy and are such that they do not compromise the integrity and/or reputation of either party and cannot be construed by an impartial observer as being intended to create a moral obligation or to acquire improper advantages.

Any gift or other gratuity offered to or received by Fedrigoni Group employees, or any gift offered by Fedrigoni Group employees to third parties under any circumstances, must:

- Not consist of a cash payment;
- Be in good faith and made in connection with business purposes;



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- Not be motivated by the desire to exert improper or illegal influence or the expectation of reciprocity;
- Be reasonable under the circumstances;
- Conform to generally accepted standards of professional courtesy;
- Comply with local laws and regulations applicable to government officials or private individuals.

Expenses relating to gifts must (i) be compliant with Fedrigoni Group in-house rules, the Principles of the Code of Ethics and the Organisation, Management and Control Model pursuant to Italian Legislative Decree Number 231/2001, (ii) be accurately and transparently entered in the Company's accounting records in sufficient detail and (iii) be substantiated by the relevant documents. Gifts, gratuities and courtesy expenses must always be suitably documented in order to enable verification by the auditing bodies such as the Internal Audit Risk & Compliance Department and, for Italian Companies, the Supervisory Body.

6. THE PUBLIC AUTHORITIES

Representatives of the Public Authorities or their relatives must not be offered, either directly or indirectly, any gift, gratuitous service, material benefit or other advantage of any kind that may appear to be related to business relations with the Fedrigoni Group or intended to influence the independence of judgement of such authorities or their relatives. Any exception to this prohibition must be notified to the Group Compliance Officer & Chief Internal Auditor and authorized by the Group CEO or the BU Director.

Any relations with entities forming part of the Public Authorities must be imbued with transparency, constructive cooperation and observance of the Code of Ethics.

Any improper activity carried out directly or through intermediaries aimed at influencing the independence of judgement of entities forming part of the Public Authorities or at ensuring any advantage to the Fedrigoni Group is strictly prohibited

7. TYPICAL CASES

7.1 Gifts and gratuities

7.1.1 Offering or giving gifts

In general terms, the Group discourages the offering of gifts. However, established business customs may require the offering of gifts of modest value to other parties as a sign of courtesy.

Only Group Department Managers, Business Unit Directors, Business Unit Sales Managers and their direct reports and Business Unit Marketing Managers and their direct reports are



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authorised to offer gifts of modest value. Employees authorized by one of the subjects named above can give gifts and donations of modest value.

The offer of goods of moderate value should be as a sign of courtesy, of an appropriate nature, and must not conflict with legal provisions and, in all cases, must not be capable of being construed as a request for favours in return.

In certain situations, gifts with a value in excess of €100 may be offered, subject to prior approval of the Business Unit Sales Manager or Marketing Manager and their direct reports, as well as the Business Unit Directors or the “local leader”, who will take into account the following principles when deciding whether or not to grant approval:

- Assessment of the circumstances in which the gift is offered. If the gift is offered out of tradition, e.g. for a wedding or a birth, for which it is customary among colleagues to give gifts, it is likely to be considered appropriate.
- Assessment of the relationship with the beneficiary.
- Assessment of the type of gift (cash gifts or their equivalent are strictly prohibited).
- Gifts must be permitted under both local legislation and the policies of the beneficiary's employer (Recipients should be aware that other companies or government offices have similar gift and entertainment procedures in force that limit the admissible value of gifts and that, in some cases, may be more stringent than Fedrigoni Group policies).
- All gifts must be given openly and in complete transparency.

All gifts must be duly entered in the books of the Fedrigoni Group Company to which the donor belongs, with the name, job title and company of the beneficiary, the reason for the gift and a detailed receipt listing the relevant expenses.

Recipients who have any queries about the appropriateness of the planned expenditure should consult with their line manager. For any queries regarding application of this Global Policy, it is recommended that Recipients consult the corporate bodies entrusted with compliance tasks. This means the Internal Audit Risk & Compliance Department and, for the Italian Companies, the Supervisory Body, pursuant to Italian Legislative Decree Number 231/2001.

7.1.2 Receipt of gifts and hospitality by Fedrigoni Group employees

The Fedrigoni Group prohibits the soliciting of gifts or entertainment by Company employees. In the event that, pursuant to Section 7.1.1, a Recipient is offered a gift, he or she shall comply with the following principles.

- Employees may only accept gifts of moderate value. At any rate, employees may only accept gifts of an appropriate nature, hence those that comply with legal provisions and which must not be construed as a request for favours in return.



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- Employees must refuse gifts or hospitality where these are likely to influence or be perceived to influence the outcome of business transactions, or which are otherwise unreasonable or not in good faith.
- Employees must refuse gifts or hospitality that are lavish and of excessive expense to the Company.

If, in practice, or as a matter of courtesy, it is not possible to refuse a gift, while at the same time receiving it would imply an infringement of this Policy, the Recipient must immediately inform his or her line manager, as well as the Internal Audit, Risk & Compliance and follow the ensuing recommendations.

7.1.3 Gratuities

A liberal payment is a voluntary donation made with the aim of supporting particular purposes, without any intention of obtaining particular benefits by way of consideration. Disbursements may be in cash or in kind. By way of example, the following are considered to be liberal disbursements: donations to support socially worthwhile initiatives or cultural activities, such as acts of gratuitous transfer of money or free transfers of goods in favour of non-profit organisations, as well as donations to NGOs, universities or research organisations.

The Fedrigoni Group may accept requests for gratuitous contributions (e.g. donations) exclusively from non-profit organisations, associations and organisations that are of cultural, charitable, scientific and artistic significance. Activities that can be supported may relate to social, scientific, environmental, safety, health, sports, theatrical and arts topics. At any rate, when choosing which offers to approve, particular attention must be paid to any possible conflict of interest, ensuring that all financial and economic transactions for this purpose are fully traceable.

When managing the donation process, the absolute prohibition of donations to political parties, entities indicated by members of the Public Administration or charitable organisations made in order to obtain or retain business opportunities or to secure an undue business advantage must be heeded.

The process of authorising and making charitable donations provides that:

- Donations may only be made in response to a specific request or proposal from the beneficiary and in relation to a specifically defined project;
- With the help of expert consultants, the Internal Audit Risk & Compliance Department verifies the reputation of the beneficiary and the non-existence of conflicts of interest, as well as the appropriateness of the sum disbursed in relation to the project for which it is intended;
- Any proposal for a donation must be approved by a Business Unit Manager.



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Prior to disbursement, a special agreement must be drawn up with the collaboration of the Group Legal Department, including, *inter alia*, compliance clauses, a description of the donation, an indication of its value, the reason and purpose for the donation (such as research and development of technologies and projects that are consistent with the Company's business interests, affiliation with humanitarian or cultural projects, etc.), as well as the obligation on the part of the beneficiary to provide a report on the activities carried out with the resources made available by the Company.

7.2 Entertainment expenses

The expression "entertainment expenses" denotes the free transfer of goods or services in favour of third parties so that employees of Fedrigoni may promote the Group's image during business trips and provide a welcome to and accompaniment for current or potential customers. Examples of entertainment expenses include hotel payments, restaurants, breakfasts, luncheons and refreshments organised on or off Group premises, as well as costs for parties, receptions or other entertainment events organised at trade fairs.

7.2.1 Hospitality and other expenses incurred on behalf of third parties

Expenses to attend events and for hospitality purposes include meals and events such as concerts or sporting fixtures. Events and hospitality initiatives involving customers, suppliers and/or business partners may be deemed appropriate in certain situations. However, such expenses must be in relation to the legitimate promotion of the Fedrigoni Group's products or services or to the performance or fulfilment of its agreements with customers.

Expenses for participation in events must be disbursed directly to the service provider by the Company of the Fedrigoni Group involved, and must not be paid in the form of reimbursement to the beneficiary.

Group Department Managers, Business Unit Managers and Commercial staff up to and including Branch Managers are authorised to incur hospitality expenses.

All expenses for attending events and for hospitality must be authorised by the Business Unit Commercial Manager, who will take into account the following principles when granting approval.

- Assessment of the participants:
 - A Fedrigoni Group representative must attend the meal or event with the customer or business partner.
 - Expenses for persons other than employees, customers or business partners of the Group (e.g. spouses or persons who have a relationship with partners of the Group) are at all times subject to prior authorisation based on specific reasons provided by the applicant.



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- Assessment of costs. For example, expenses at meals that may appear excessive in relation to a legitimate business purpose and to generally accepted standards of professional courtesy are prohibited.
- Assessment of the type of entertainment. For example, expenditure on entertainment that may appear contrary to good taste, or excessive in relation to a legitimate business purpose and to generally accepted standards of professional courtesy, is prohibited.

Offers to pay expenses for meals and events will be permitted pursuant to local laws and in compliance with the policies of the Recipient's employer.

For any queries on the application of this Global Policy and local practices concerning the same subject matter, it is recommended that Recipients consult with their line managers and/or the corporate bodies entrusted with compliance tasks. This means the Internal Audit Risk & Compliance Department and, for Italian Companies, the Supervisory Body, pursuant to Italian Legislative Decree Number 231/2001.

All expenses must be duly entered in the books of the Group Company involved, and include the name, position and company of the participants, the reason for the expenditure, and a detailed receipt listing the relevant costs.

7.2.2 Travel and accommodation expenses on behalf of third parties

In certain situations, reasonable travel expenses for customers, including potential customers, may be allowed, when warranted by specific business needs. For example, travel expenses may be incurred for a customer to visit the Group's offices or premises for Fedrigoni to promote its products or demonstrate the Group's production capacities for rendering the services to the potential customer.

All travel and accommodation expenses for third parties must be approved by the Commercial Manager, who will take the following principles into account when granting approval:

- Trips must be commensurate with generally accepted standards of professional courtesy in relation to legitimate business purposes that are reasonable under the circumstances and in any case not motivated by a desire to exert improper or unlawful influence on others.
- Payment of cash per diems and expenses not related to business activities, as well as disbursements to friends or family members of a customer or business associate, are prohibited.
- Rather, the Company shall make payment directly to the travel or accommodation provider.



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- Such expenses must be permissible under both local legislation and the policies of the beneficiary's employer.

For any queries on the application of this Global Policy and local practices concerning the same subject matter, it is recommended that Recipients consult with their line managers and/or the corporate bodies entrusted with compliance tasks. For Italian Companies, this means the Internal Audit Risk & Compliance Department and the Supervisory Body, pursuant to Italian Legislative Decree Number 231/2001.

All expenditure must be properly entered in the books of the Group Company involved, and include the name, position and company of the beneficiary, the reason for the expenditure, and a detailed receipt listing the relevant costs.

7.3 Sponsorships

Sponsorship involves the Fedrigoni Group's participation in financing an event (for example, sporting, cultural, social, entertainment etc.), an exhibition or other activity, which are of social, ethical or professional value, are of public interest and are organised by a third party in exchange for media exposure of the name, logo or brand of the Fedrigoni Group in specific advertising spaces and/or through various communication media, hence with the aim of obtaining an appropriate return in terms of publicity, promotion and corporate image. It follows that individual contributions by way of donations to display the Group's logo, and which are granted without a contractual agreement, are not regarded as sponsorship.

Accordingly, Group Companies may sponsor events exclusively for the purpose of promoting the image of the Fedrigoni Group, its services and/or its brand. Sponsorships are paid out in the form of money or other transparent, predetermined and economically quantifiable forms of backing (for instance, with paper) associated with an event, activity or initiative in which the image or brand of the Group or its Companies is promoted.

The process of granting a sponsorship involves a thorough, transparent and detailed formalisation of the application and its approval (at all times in writing and duly substantiated) on the part of the requesting department, specifying the reason, purpose and corporate motives related to the disbursement, and establishing the non-existence of conflicts of interest, in particular with regard to public entities that may, directly or indirectly, favour the business of the Companies.

Specifically, the application for sponsorship must contain the following:

- As regards the beneficiary:
 - Personal data (name or company name, address, etc.);
 - Activity carried out;



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- An indication as to whether the beneficiary is a person holding public office or an employee of a public body (or equivalent);
- A list of other initiatives previously undertaken in respect of the same beneficiary.
- Purposes and business-related reasons for the disbursement;
- Amount of the disbursement, whether there has been a prior allocation in the budget and the appropriateness of the sum;
- The possible presence of conflicts of interest, in particular with regard to public entities that may, directly or indirectly, favour the business of Fedrigoni Group Companies.

The application for sponsorship must be supported by an in-depth description of the nature and purpose of the individual initiative, due diligence on the potential sponsorship partner, and verification of the lawfulness of the sponsorship under applicable legislation.

Granting of sponsorship must comply with the following principles:

- Consistency between sponsorship programme activities and the approved budget;
- The trustworthiness of partners in sponsorship agreements, who should only be well-known entities or individuals. In the case of companies, the partner in a sponsorship agreement must prove that it possesses all the certifications and has fulfilled all the conditions required to operate in compliance with applicable laws;
- Signing of the sponsorship agreement drawn up in writing. The sponsorship agreement must contain the following:
 - The currency and the amount paid under such agreement;
 - The stipulation that, in accordance with the relevant legal and in-house requirements of the Fedrigoni Group and its Code of Ethics, payments are to be made exclusively in favour of the beneficiary and in the beneficiary's country of incorporation, solely to the named bank account of the beneficiary, as indicated in the agreement, and under no circumstances to numbered accounts or in cash;
 - An undertaking by the beneficiary to comply with applicable laws, anti-corruption laws and the anti-corruption provisions of the sponsorship agreement, and to enter the amount received in its books and records in a correct and transparent manner;
 - Contractual provisions relating to "Administrative Responsibility" that Fedrigoni S.p.A. and the other Group Companies must include in the agreements into which they enter.

In accordance with the relevant legal and in-house requirements of the Fedrigoni Group, the amount paid in respect of the sponsorship agreement must be entered in the Group's books and records in a correct and transparent manner. The Fedrigoni Group must also ensure that payments are made exclusively as indicated in the sponsorship agreement, subsequent to verification that the service has actually been provided.



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The original documents relating to the approval of the sponsorship and the audits for compliance with the relevant regulatory documentation must be kept for at least ten years.

Sponsorship activities may give rise to anti-corruption issues. For this reason, all sponsorship activities must be conducted in such a way as to ensure compliance with anti-corruption laws, in accordance with the Fedrigoni Group's Global Anti-Corruption Policy.

