



Organization, Management and Control Model pursuant to Legislative Decree 231/01

General part

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1. GLOSSARY

1.1. GENERAL

In this document, the following definitions apply:

"ANAC": National Anti-Corruption Authority, established by Law No. 190/2012, is the independent administrative authority whose institutional mission is identified in the prevention of corruption in all areas of administrative activity.

"Top management": persons who hold representative, administrative or managerial functions of the entity or of one of its organizational units with financial and functional autonomy, as well as persons who exercise, even de facto, the management and control of the same.

"Activities at risk of crime 231": the so-called 'sensitive' activities, i.e. those specific activities in the course of which the presence of conditions that may lead to the commission of crimes has been identified.

"Work context": the work or professional activities, present or past, carried out in the context of the relationships referred to in Article 3, paragraphs 3 or 4 of D. Legislative decree. 24/2023, through which, regardless of the nature of such activities, a person acquires information on violations and in the context of which he or she may risk suffering retaliation in the event of a report or public disclosure or complaint to the judicial or accounting authority.

"Legislative Decree 231/01" or "Legislative Decree" or "Decree": Legislative Decree No. 231 of 8 June 2001 and subsequent amendments and additions.

"Legislative Decree 81 /08": Legislative Decree 81 of 9 April 2008, which came into force on 15 May 2008, containing the "Consolidated Law on the protection of health and safety in the workplace".

"Recipients": persons who hold functions of representation, administration or management of the entity or of one of its organizational units with financial and functional autonomy, persons who exercise, even de facto, the management and control of the same, as well as persons subject to the direction or supervision of one of the aforementioned subjects, i.e. Top Management and Subordinates.

"Confindustria Guidelines": the "Guidelines for the construction of organisational, management and control models pursuant to Legislative Decree 231/2001" issued by Confindustria in March 2014.

"Organisation and Management Model" or "Model": all documents and standards listed in § 3.1 of this document.

"P.A.": the Public Administration, including its officials and persons in charge of public service;

"Reporting Person" means the natural person who makes the report or public disclosure of information about violations acquired in the context of his or her work context.

"Affected Person" means the natural or legal person named in the internal or external report or public disclosure as the person to whom the infringement is attributed or as the person otherwise implicated in the publicly reported or publicly disclosed infringement.

"Sensitive Trials": Gilardoni's activities in which there is a risk of committing crimes;

"Instrumental Processes": processes, in the context of which and in principle, instruments or conditions or means could be created for the commission of the crimes referred to in Legislative Decree 231/01.

"Offences": the offences provided for by Legislative Decree 231/2001;

"Report" means the written or oral communication of information about the Violations.

"External Reporting" means the communication, written or oral, of information about violations, submitted through the external reporting channel.

"Internal reporting" means the communication, written or oral, of information about violations, submitted through the internal reporting channel.

"Follow-up": the action taken by the person entrusted with the management of the reporting channel to assess the existence of the reported facts, the outcome of the investigations and any measures taken.

"Company" or "Gilardoni": Gilardoni S.p.A. a Socio Unico.

"Subordinates": persons subject to the direction or supervision of persons belonging to the top management.

"Third Parties": customers, external collaborators and Partners.

"Violations" means conduct, acts or omissions that harm the public interest or the integrity of the private entity and which consist of:

- 1) unlawful conduct pursuant to Legislative Decree no. 231 of 8 June 2001, or violations of the organisational and management models provided for therein, which do not fall within the following numbers 2), 3), 4) and 5);
- 2) offences that fall within the scope of the European Union or national acts indicated in the relevant annex to Legislative Decree no. 24/2023 or national acts implementing the European Union acts set out in the Annex to Directive (EU)

2019/1937, even if not indicated in the relevant Annex to Legislative Decree No 24/2023, relating to the following areas: public procurement; financial services, products and markets and prevention of money laundering and terrorist financing; product safety and compliance; transport safety; environmental protection; radiation protection and nuclear safety; food and feed safety and animal health and welfare; public health; consumer protection; protection of privacy and protection of personal data and security of networks and information systems;

- 3) acts or omissions affecting the financial interests of the Union as referred to in Article 325 of the Treaty on the Functioning of the European Union as specified in the relevant secondary legislation of the European Union;
- 4) acts or omissions relating to the internal market, as referred to in Article 26(2) of the Treaty on the Functioning of the European Union, including infringements of the European Union competition and State aid rules, as well as infringements concerning the internal market linked to acts infringing corporate tax rules or mechanisms the purpose of which is to obtain a tax advantage which defeats the object or purpose of the applicable legislation corporate tax;
- 5) acts or conduct which defeat the object or purpose of the provisions of Union acts in the areas referred to in points (2), (3) and (4).

2. PREMISE

2.1. COMPANY PROFILE

Gilardoni S.p.A. a Socio Unico is a leading Italian company in the design and manufacture of x-ray and ultrasound equipment, components and services in the medical, non-destructive testing and safety sectors.

Gilardoni was founded in 1947 by Dr. Arturo Gilardoni, whose goal and mission was to create world-class research laboratories and a structure capable of producing, distributing, selling and servicing innovative products everywhere. Today, the vision of Dr. Ing. *Gilardoni* has produced a company that operates in the following sectors:

- Safety
- Medical
- NDT – Non-destructive testing
- OEM – Components.

2.2. SAFETY

Gilardoni offers a complete line of solutions for the needs of the security market, from systems for the control of hand luggage, with automatic detection of solid and liquid explosives, to systems for the control of checked baggage, pallets and containers. *Gilardoni*, in addition to providing standard systems, provides its R&D expertise to carry out customizations that can best meet the specific needs of its customers.

2.3. MEDICAL

Since its origins, *Gilardoni* has set itself the goal of placing itself at the highest technological levels in the field of medical radiology. In over 60 years of activity, *Gilardoni* has installed thousands of state-of-the-art radiological equipment in a sector in continuous and rapid evolution, making its quality known and appreciated both in Italy and abroad

2.4. NDT - NON-DESTRUCTIVE TESTING

The *Gilardoni* *CND product range* includes X-ray and ultrasound products. Radioscopy as a non-destructive testing method allows to obtain the radiological image in real time, thus allowing to achieve high productivity in the control of large batches of specimens. Non-Destructive Testing with ultrasound is widely applied in the metallurgical industry and in the overhaul and maintenance of structures, plants and means of transport.

2.5. OEM – COMPOSITION

Over the years, *Gilardoni* has developed a wide range of OEM components, able to meet the most varied application needs of a constantly evolving market. OEM production includes both standard components and numerous dedicated solutions, i.e. made to specific customer requests. *Gilardoni* complies with both European and other country regulations such as FDA and UL standards.

2.6. CERTIFICATIONS

Gilardoni is an ISO 9001 and 13485 certified company by IMQ in compliance with specific standards and product standards with global validity; moreover, its research laboratories are certified as "highly qualified" with Ministerial Decree 9-10-1985 - L. 46/82 Art.4. *Gilardoni* sees itself as a high-quality, market-oriented industry that provides value-added solutions that fully satisfy customers. *Gilardoni* is present in Italy with its own plant in Mandello del Lario (province of Lecco).

2.7. SUMMARY OF LEGISLATION ON LEGISLATIVE DECREE 231/01

Legislative Decree no. 231 of 2001 introduced, for the first time in our legal system, the criminal liability of entities, in ¹ addition to that of the natural person who materially committed the unlawful act.

The regulatory innovation, at the time of its introduction, was of great importance, as it established that the entity is responsible for crimes committed by its top management ("top" subjects) or even by simple employees ("subordinate" subjects), provided that these have acted in the interest or to the advantage of the entity itself.

The Legislative Decree provides that the entity is liable only in the case of crimes committed in its interest or to its advantage by:

- persons who hold representative, administrative or managerial functions of the entity or of one of its organizational units with financial and functional autonomy;
- persons who exercise, even de facto, the management and control of the entity itself;
- persons subject to the direction or supervision of the persons referred to in numbers 1 and 2.

They contribute to avoiding or at least mitigating liability if the entity proves (Art. 6):

- that the management body has adopted and effectively implemented, before the commission of the offence, organisational and management models suitable for preventing offences of the kind that occurred;
- that the task of supervising the functioning and observance of the models, of ensuring that they are updated, has been entrusted to a body of the entity with autonomous powers of initiative and control;
- that the persons who committed the offence fraudulently circumvented the organisational and management models;
- that there has been no omission or insufficient supervision on the part of the body of the entity with autonomous powers of initiative and control.

The adoption of organisational and management models and the creation of supervisory bodies with the task of supervising the real effectiveness of the Model are suitable means of preventing offences committed by employees and officers - also allowing disciplinary action - and avoid the extension of liability from the person who committed the offence to the company.

The adoption of the Organization, Management and Control Model is not mandatory and therefore failure to adopt it in itself does not entail any sanction, but exposes the entity to liability for offenses committed by directors and employees, also directly affecting the economic interests of the shareholders, in the event of the application of sanctions (so much so as to legitimize the shareholders will be able to bring liability action against inert directors who, not having adopted the Model, have prevented the entity from benefiting from the "exemption" mechanism from liability).

Consequently, in the event of an offence, the entity will be able to benefit from the exemption provided for by the law in question if it is equipped with the Model and all the conditions provided for in the aforementioned Article 6 are met. Therefore, although the adoption of these models is optional, an adequate preventive control system given by the adoption of the Model ensures that risks are reduced as much as possible or at least to an "acceptable" level. This result will be possible through accurate monitoring of risks through the identification of the business sector at risk and the methods of verification of prejudicial events.

3. COMPANY GOVERNANCE

3.1. ARTICLES OF ASSOCIATION

The Articles of Association are the fundamental document on which Gilardoni's corporate governance system is based.

3.2. CORPORATE BODIES

The Company's Governance Model aims to formalize the value system it intends to promote by creating a suitable and exemplary organizational structure.

The Company has adopted the so-called "traditional" system of administration and control (governance) in its bylaws.

The Company's bylaws provide for the following corporate bodies and corporate offices:

- the Shareholders' Meeting,
- the Board of Directors;
- the Chairman of the Board of Directors;
- the Board of Statutory Auditors.

Please refer to *Gilardoni's* Articles of Association and the Chamber of Commerce Certificate for details of the corporate offices and related powers.

1 For the definition of an institution, see the following paragraph 2.4" Recipients of Legislative Decree 231/01".



3.3. ORGANIZATIONAL STRUCTURE IN THE FIELD OF HEALTH AND SAFETY AT WORK

With regard to health and safety at work, by virtue of the relevant provisions of the Consolidated Law on Safety and Hygiene at Work, the Company has adopted an organisational structure in accordance with that provided for by current legislation in order to eliminate or, where this is impossible, reduce - and therefore manage - risks for workers.

Where possible, the Company has adopted an internal organisation of powers in line with the corporate structure through a system of proxies and powers of attorney, in accordance with the provisions of current legislation.

In the Procedure "Guidelines for the management of safety and health protection" (PM014) the following roles and the activities attributed to them are identified:

1. Employer;
2. Competent Physician;
3. RSPP;
4. Security Officers;
5. RLS;
6. Supervisors and delegates;
7. Workers.

3.4. SUPERVISORY BODY

The Supervisory Body is the internal body of the entity provided for in Article 6 of Legislative Decree 231/2001.

The Supervisory Body has the task of supervising:

- the effectiveness and adequacy of the Model in relation to the corporate structure and the effective ability to prevent the commission of crimes;
- compliance with the provisions of the Model by the Corporate Bodies, Employees and other Recipients, in the latter case also through the competent corporate functions;
- on the advisability of updating the Model itself, where there is a need to adapt it in relation to changed business and/or regulatory conditions.

The members of the Supervisory Body are appointed by the Board of Directors and their term of office is established at the time of appointment.

For more details and information, please refer to the chapter 8 "Supervisory Body pursuant to Legislative Decree 231/01" of this document and the regulations of the Supervisory Body.

4. THE REGULATORY FRAMEWORK OF LEGISLATIVE DECREE NO. 231/01

4.1. INTRODUCTION

Legislative Decree 231/01, issued in implementation of the delegation referred to in Art. 11 of Law no. 300 of 29 September 2000, aimed to bring Italian legislation on the liability of entities into line with the provisions of certain international conventions ratified by our country.

In particular, with the entry into force of Legislative Decree 231/01, a form of administrative liability of entities, such as companies, associations and consortia, deriving from the commission, or attempted commission, of certain crimes, expressly referred to in Legislative Decree 231/01, by Top Managers or Subordinate Subjects (collectively, the "Recipients"), has also been introduced in Italy. in the interest or to the advantage of the institution.

Gilardoni, on the other hand, is not liable if the aforementioned parties have acted in their own exclusive interest or in the interest of third parties (Article 5, paragraph 2, Legislative Decree 231/01).

4.2. PROSECUTION IN ITALY FOR CRIMES COMMITTED ABROAD

Legislative Decree 231/01 also provides for the prosecution in Italy against the entity for crimes committed abroad by top management or subordinates of the entity, in the interest or to the advantage of the entity itself:

- if the entity has its principal office in the territory of the Italian State;
- whether there is the possibility of prosecution in Italy against the natural person who committed the crime;
- if the State of the place where the act was committed does not proceed against the entity.

The administrative liability of entities is independent of the criminal liability of the natural person who committed the crime.

4.3. PREDICATE OFFENCES - CATEGORIES AND TYPES OF OFFENCES REFERRED TO IN LEGISLATIVE DECREE 231/01

The relevant types of crimes, pursuant to Legislative Decree 231/2001 and subsequent amendments, in order to constitute the administrative liability of the entity are expressly listed by the Legislator. These cases can be traced back to the categories in detail of the so-called "so-called". "predicate" offences and are set out in Annex A "Offences provided for by Legislative Decree 231/01" to this General Part.

4.4. CRITERIA FOR ATTRIBUTING LIABILITY TO THE ENTITY

In the event of the commission of one of the predicate crimes, the Entity is punishable only if certain conditions are met, defined as criteria for the imputation of the crime. These criteria are divided into "objective" and "subjective".

- a) The first objective criterion that must exist for the purposes of punishing the Entity is that the crime committed must be included among those expressly indicated as Predicate Crimes in the Decree.
- b) The second objective criterion is that the offence must be committed in the interest or to the advantage of the Entity. It must, therefore, have been committed in an area inherent in the specific activities of the Company and the Company must have benefited from it, even if only potentially. It is sufficient to meet at least one of the two conditions, which are alternative to each other:
 - "interest" exists when the offender has acted with the intention of favouring the Company, regardless of whether this objective has really achieved;
 - the "advantage" exists when the Company has derived, or could have drawn, a positive result from the Crime, whether economic or otherwise.

The liability of the Entity exists not only when it has derived an immediate financial advantage from the commission of the crime, but also in the event that, even in the absence of such a result, the fact is justified in the interest of the Entity. The improvement of one's position on the market or the concealment of a financial crisis situation, for example, are cases that involve the interests of the Entity without bringing it an immediate and direct economic advantage.

- c) The third objective criterion is that the predicate offence must have been committed by one or more qualified persons, i.e. by "persons who hold functions of representation, administration or management of the Entity or of one of its organizational units endowed with financial and functional autonomy" or by those who "exercise, even de facto, the management and control" of the Entity (so-called "top positions"), or by "persons subject to the direction and supervision of one of the Top Managers" (so-called "subordinates").

The perpetrators of the offence from which administrative liability may arise on the part of the Entity, therefore, may be:

- (i) persons in a "top position", such as, for example, the legal representative, the director or the general manager, as well as the persons who exercise, even de facto, the management and control of the Entity.
- (ii) "subordinate" subjects, typically employees, but also subjects external to the Entity, who have been entrusted with an assignment to be conducted under the direction and supervision of top management.

If more than one person participates in the commission of the crime (hypothesis of complicity of persons in the crime pursuant to Article 110 of the Criminal Code), it is not necessary for the "qualified" person to conduct the typical action provided for by criminal law. It is sufficient that it makes a consciously causal contribution to the commission of the crime.

The provisions of the Decree exclude the liability of the Entity, if the latter - before the commission of the Predicate Offence - has adopted and effectively implemented an "Organisation and Management Model" suitable for preventing the commission of Offences of the kind that has been committed. The responsibility of the Entity, from this point of view, is traced back to the "failure to adopt or comply with dutiful standards" relating to the organization and activity of the Entity, a defect attributable to the company policy or to structural and prescriptive deficits in the company organization. In essence, in order for the Offence not to be imputed to it subjectively, the Entity must demonstrate that it has done everything in its power to prevent the commission of one of the Offences provided for by the Decree in the exercise of its business activity (on the conditions of exemption from liability provided for by the Decree, see paragraph 1.5 below).

4.5. RECIPIENTS OF LEGISLATIVE DECREE 231/01

The law indicates the recipients:

- entities with legal personality
- companies with legal personality
- companies and associations, including those without legal personality (Art. 1, par. 2).

The legislative decree identifies, in the first place, the entities with legal personality. These are entities that enjoy patrimonial autonomy, differentiated from the other entities which, although autonomous subjects of law, do not have the distinction of common assets from those of individual shareholders or associates.

Therefore, the main recipients are the following:

- entities with legal personality
- Corporations
- Cooperative societies
- Foundations
- Recognized Associations
- private and public economic entities
- private entities carrying out a public service by virtue of a concession, agreement, equalisation or similar administrative act.
- entities without legal personality
- Partnerships

- EEIGs (European Economic Interest Groupings)
- Consortia
- unrecognized associations.

On the other hand, the subjects excluded from the discipline are:

- the State
- local public bodies (Regions, Provinces and Municipalities)
- entities that perform functions of constitutional importance (Art. 1, par. 3).

Among the excluded entities are those that perform functions of constitutional importance such as:

- Political parties
- Workers' trade unions
- the two Houses of Parliament
- the Secretary General of the Presidency of the Republic
- the Constitutional Court
- the National Council of Economy and Labour
- the Superior Council of the Judiciary.

Excluded from the legislation in question are businesses conducted on a sole proprietorship, even if in the form of a family business.

4.6. PENALTIES THAT CAN BE IMPOSED ON THE ENTITY

As mentioned in the "regulatory summary", following the commission of crimes pursuant to Legislative Decree 231/01, sanctions are applied. The penalties that can be imposed on the entity for administrative offences dependent on the offence are:

- the pecuniary penalty
- Disqualification sanctions
- confiscation
- the publication of the judgment.

The financial penalty is indefectible and is applied under the quota system. The amount of a share, in a number of not less than one hundred nor more than one thousand, ranges from a minimum of € 258.23 to a maximum of € 1,549.37.

In calculating the financial penalty, the judge determines the number of shares considering the seriousness of the fact, the degree of responsibility of the Entity, as well as the activity carried out to eliminate or mitigate the consequences of the fact and to prevent the commission of further offences.

The value of the unit is also set based on the economic and financial conditions of the institution in order to ensure the effectiveness of the sanction.

The disqualification sanctions are:

- disqualification from conducting the activity;
- the suspension or revocation of authorisations, licences or concessions functional to the commission of the offence;
- the prohibition of contracting with the Public Administration, except to obtain the performance of a public service;
- exclusion from concessions, loans, contributions or subsidies and the possible revocation of those already granted;
- the prohibition of advertising goods or services.

Disqualification sanctions apply in relation to offences, for which they are expressly provided, when at least one of the following conditions is met:

- the Entity made a significant profit from the crime and the crime was committed by persons in a top position or subject to the direction of others, if the commission of the crime was determined or facilitated by serious organizational deficiencies;
- in the event of repetition of offences (repetition occurs when the entity, which has already been definitively convicted at least once for an offence dependent on a crime, commits another offence in the five years following the final conviction).

The **publication** of the conviction may be ordered when a disqualification sanction is applied to the institution. The judgment shall be published only once, in extract or in full, in one or more newspapers indicated by the court in the judgment, and by posting in the municipality where the entity has its principal office. The publication of the judgment is carried out by the Registry of the Judge and at the expense of the Institution.

The confiscation of the price or profit of the crime is always ordered against the entity, except for the part that can be returned to the injured party.

This is without prejudice to the rights acquired by third parties acting in good faith. When it is not possible to carry out the confiscation indicated, it may concern sums of money, goods or other benefits of a value equivalent to the price or profit of the crime.

4.7. ORGANIZATION AND MANAGEMENT MODELS

As mentioned above, Legislative Decree 231/01 provides, in principle, for forms of exemption from the administrative liability of entities. In particular, Article 6 of Legislative Decree 231/01 establishes that, in the event of a crime committed by a top manager, the entity is not liable if it proves that:

- the management body adopted and effectively implemented, before the offence was committed, organisational and management models suitable for preventing offences of the kind that occurred;
- the task of supervising the functioning and observance of the models and of ensuring that they are updated has been entrusted to a body set up by Gilardoni and endowed with autonomous powers of initiative and control (hereinafter referred to as the "Supervisory Body");
- the persons committed the offence by fraudulently circumventing the organisational and management models;
- there has been no omission or insufficient supervision on the part of the Body in charge.

Therefore, in the case of a crime committed by top management persons, there is a presumption of liability on the part of the entity due to the fact that these subjects express and represent the policy, and therefore, the will of the entity itself. This presumption, however, can be rebutted if the entity is able to demonstrate the existence of the above four conditions referred to in Art. 6 of Legislative Decree 231/01.

In this case, although there is personal liability on the part of the top manager, the entity is not liable pursuant to Legislative Decree 231/01.

Legislative Decree 231/01 therefore attributes, with regard to the liability of entities, a discriminatory value to the organization and management models to the extent that the latter are, on the basis of a judgment expressed *ex ante* in the adoption of the criterion of posthumous prognosis, suitable for preventing the crimes referred to in the aforementioned decree and, at the same time, are effectively implemented by the governing body.

In the same way, Art. Article 7 of Legislative Decree 231/01 establishes the administrative liability of the entity for the crimes of Subordinate Subjects, if their commission was made possible by non-compliance with management or supervisory obligations. In any case, non-compliance with these management or supervisory obligations is excluded if the entity demonstrates that it has adopted and effectively implemented, before the commission of the fact, an Organisation and Management Model suitable for preventing offences of the kind that occurred. In this case, the adoption of the Organisation and Management Model by the entity constitutes a presumption in its favour that honours the accusation of demonstrating the failure to adopt and effectively implement the Model.

4.8. CATEGORY GUIDELINES

Legislative Decree 231/01 provides that the organisation and management models may be adopted on the basis of codes of conduct drawn up by the associations representing the entities and communicated to the Ministry of Justice, which is given the right to formulate, in agreement with the competent Ministers, within 30 days, observations on the suitability of the models to prevent crimes, provided that they guarantee the requirements indicated in Article 6, paragraph 2, of Legislative Decree 231/01.

The main purpose of this provision is to promote, among the members of the trade associations, the alignment with the principles expressed by Legislative Decree 231/01 and, likewise, to stimulate the development of structured codes that can serve as a point of reference for operators who are about to draw up an Organisation and Management Model.

In structuring and subsequently updating this Model, *Gilardoni* referred to the "Guidelines for the construction of organisational, management and control models pursuant to Legislative Decree 231/01" of June 2021, published by Confindustria.

5. ORGANIZATION AND MANAGEMENT MODEL AND ITS CONTENTS

5.1. CONTENTS OF THE ORGANISATION AND MANAGEMENT MODEL

Gilardoni, in line with its governance system and the ethical standards it has set itself, has adopted an Organisation and Management Model in compliance with the provisions of Legislative Decree 231/01 (hereinafter the "Model").

This document contains a general illustration of the Model and the main provisions aimed at preventing the commission or attempted commission of the crimes provided for by Legislative Decree 231/01 and has been adopted by the Board of Directors.

In particular, pursuant to paragraph 2 of Art. 6 of Legislative Decree 231/01, an organization and management model must meet the following requirements:

- identify activities exposed to the risk of committing crimes;
- provide for specific protocols to plan the formation and implementation of the entity's decisions in relation to risk prevention (i.e. in relation to the crimes to be prevented);
- identify ways of managing financial resources suitable for preventing the commission of crimes;
- provide for obligations to inform the Supervisory Body on the functioning and compliance with the models;
- introduce an adequate disciplinary system to sanction non-compliance with the measures indicated in the Model.

The *Gilardoni* Model, illustrated in this document and its annexes, consists of the organic set of principles, rules, procedures and internal provisions, circulars, organizational schemes relating to the management and control of social and instrumental activities. The Model is aimed at the implementation and diligent management of a control system of sensitive activities for the prevention of the commission, or attempted commission, of the crimes provided for by Legislative Decree 231/01.

These provisions may be written or oral, of general application or limited to categories of persons or individuals, permanent or temporary.

5.2. RECIPIENTS OF THE COMPANY'S ORGANIZATIONAL MODEL

This Model applies, at all times and without exception, to all members of the Board of Directors, the Board of Statutory Auditors and the Independent Auditors and to all persons linked by employment relationships with Gilardoni *Suppliers and Partners*, as well as *external collaborators*, are also required to comply with the Code of Ethics when dealing with or acting in the name and on behalf of Gilardoni

All these subjects, both internal and external to the Company, operating, directly or indirectly, for *Gilardoni* (e.g. Attorneys, Agents, Distributors, Contractors, Collaborators in any capacity, Consultants, Appointed Professionals, Suppliers, Commercial and Technological Partners, whatever the relationship that binds them to the same), are also defined in the Model with the term "Recipients".

The Recipients, in carrying out their respective activities, comply with:

- The laws and regulations, Italian or foreign, applicable to the case;
- the Code of Ethics;
- The Lines of Conduct;
- The general rules issued for the purposes of Legislative Decree 231/01;
- The resolutions of the Board of Directors;
- The minutes and any resolutions of the Committees as required by the Governance system in place;
- The Resolutions/Circulars of the Management;
- Internal procedures, operating instructions, organizational charts, job descriptions, quality, environment and occupational health and safety management systems;
- The internal procedures that make explicit reference to the Model and were introduced to mitigate the risk of crime and to supplement those indicated above;
- Service instructions (circulars) issued by the competent organizational units and hierarchical superiors;
- The contents of the training of employees and collaborators;
- The provisions of the disciplinary system referred to in the CCNL.

All the rules, introduced by the above sources, are integral parts of the Organizational Model. The constant updating of the Model is the task of those who have the competence to issue the above rules, each for the respective area entrusted to them.

5.3. NATIONAL AND INTERNATIONAL LAW

The Recipients are required to comply with the precepts set by public regulatory sources, Italian or foreign, state, regional or local, of constitutional, primary or secondary rank.

Gilardoni, in line with the commitment to legality reflected in the Code of Ethics, believes that it expressly imposes compliance with the law, thus also giving this source contractual importance and thus also incorporating these rules into the Model.

It should be remembered that compliance with the law is required regardless of the actual knowledge that the subject has of it. It is therefore the responsibility of everyone to know and comply with the legal regulations, in particular those pertaining to their own sector of activity. If there is any doubt as to the scope or interpretation of legal provisions, the relevant corporate bodies should be consulted.

5.4. ARTICLES OF ASSOCIATION

The Articles of Association are the fundamental document on which *Gilardoni's* corporate governance system is based. Some principles of corporate governance are laid down in the Articles of Association, the specific aspects of *Gilardoni's* Governance system are reported in Chapter 3.

5.5. CODE OF ETHICS

The Code of Ethics pays particular attention to the objective of commitment to the Company and stakeholders, in the belief that competitiveness and the pursuit of profit must go hand in hand with ethical sensitivity, social involvement and respect for the environment.

In addition to the creation of an organizational and corporate model, adequate to effectively manage business risk, *Gilardoni* has deemed it necessary to formalize and disseminate, to all Recipients, a document that expresses the salient principles of deontology that inspire *Gilardoni*.

For this reason, *Gilardoni* has adopted a Code of Ethics that is an integral part of the Model.

5.6. GUIDELINES

The "Lines of Conduct" adopted in addition to the principles contained in the Code of Ethics, are an integral part of the Code of Ethics and provide the Recipients of the Code of Ethics and the Model with the operational guidelines to be respected and the control principles to be applied in the exercise of the activities carried out in *Gilardoni* and assessed as "at risk" of committing a crime.

The application of the Guidelines is mandatory for the following categories of Recipients of the Code: Directors, Employees, Collaborators, Contractors, Agents, Distributors, Business Brokers and in general all members of the commercial network

operating in favor of *Gilardoni*. Violation of the Guidelines of Conduct will result in the application of the Disciplinary System as indicated in *Gilardoni*'s Organizational Model and Code of Ethics.

5.7. REGULATIONS ISSUED FOR THE PURPOSES OF LEGISLATIVE DECREE 231/01

The analysis of business processes has made it possible to identify those activities potentially suitable for verifying the risk of committing the crimes provided for by Legislative Decree 231/01 and the *process owners*² related to them.

For each sensitive process, the existing operating and management methods and the control elements present to oversee them were also identified through specific interviews with *the owners* of the processes in the context of which potential "risk activities" were identified.

The adequacy of the rules and procedures currently in place has therefore been assessed and, where necessary, the need to introduce rules and controls capable of preventing or at least significantly reducing the risk of committing crimes ("actions to be taken") has been elaborated or better specified.³

5.8. OTHER INTERNAL RULES

In addition to the provisions of the Code of Ethics, there are rules set by other sources, in particular by other resolutions of the Board of Directors.

The rules laid down by these sources are given adequate publicity, ensuring that they are known, as appropriate, to all employees or to individual categories of recipients.

The person who issued the rule also decides on the form of the relevant provisions and on the publicity. In any case, if the standard is not issued in writing, it is ensured that it is known through appropriate forms of communication, including by e-mail or resource training initiatives.

5.9. INTERNAL PROCEDURES AND CIRCULARS

When provisions are issued through procedures and circulars, they shall conform to the following characteristics:

1. are uniquely identified (alphanumeric coding, revision number, date of issue of the revision, etc.);
2. they always contain the indication of the organizational unit and/or the person in charge promoting the procedure or circular and the endorsement of the Management;
3. bring the subject matter back to the subject;
4. contain both technical provisions and provisions relating to the modification of the management structure;
5. are available on the company intranet.

5.10. INTERNAL CONTROL SYSTEM

The Internal Control System for *Gilardoni* consists of the set of rules, procedures and organizational structures aimed at ensuring the proper functioning and good performance of the company and ensuring, with a reasonable margin of safety:

- the efficiency and effectiveness of business processes,
- adequate risk control,
- the reliability and integrity of accounting and management information,
- the preservation of heritage,
- the compliance of the company's activities with current legislation, directives and company procedures.

Gilardoni's *internal control system* reflects the dynamic structure of the company's "processes". In this sense, it involves, with different roles: the Board of Directors, the Management, the heads of departments and all the other corporate functions, providing for the performance of control activities as an integral part of the daily activities conducted by the Company.

6. STRUCTURE OF THE ORGANIZATION AND MANAGEMENT MODEL

6.1. MODEL STRUCTURE AND COMPONENTS

Gilardoni, also referring to the Guidelines issued by Confindustria, has developed an **Organization and Management Model** consisting of :

1. **General Part** (part in question) which describes, among others:
 - the main contents of Legislative Decree 231/01 for the purpose of developing the Organizational Model,
 - the structure, the identification of "risky" activities, the control principles of the Organisational Model,
 - the mechanisms for implementing the Model, including the operational mechanisms and the responsibilities of the Supervisory Body,
 - all general information regarding *Gilardoni*'s organisational profile (also in terms of Corporate Governance),
 - the system of procedures (protocols) in place,

²The "process owner" is a person who coordinates the organizational structures and operational activities carried out at all levels of a given process.

³ See Chapter 7 "Crime Risk Analysis and Assessment" and Special Part A and Special Part B of the Model.

Organization, Management and Control Model– pursuant to Legislative Decree 231/01

- the methodology adopted to analyse the risk of exposure to the predicate offences referred to in Legislative Decree 231/01,
 - the sanctioning system, which provides for sanctioning measures against employees, directors and other recipients and has been included in the General Part.
- **General Part - Annex A** - Offences provided for by Legislative Decree 231/01.
- **General Part - Annex B** - List of procedures of the Organizational Model.
- **General Part - Annex C** - Organizational chart.
2. **Special Parties** that identify and describe activities and instrumental processes at risk of crime and assess the related risks. These parts are composed of:
- a. **Special Section A:** Risk assessment outcomes and risk management plan
 - b. **Special Part B:** Mapping of areas at risk of crime
3. **Code of Ethics**
4. **Guidelines** (Attached to the Code of Ethics)

Furthermore, although they have not been developed and applied specifically or exclusively as components of the Organizational Model pursuant to Legislative Decree 231/01, the following are assimilated and are an integral part of the Model due to their risk mitigation value:

1. **Risk Assessment Document – D.V.R.** (pursuant to Legislative Decree 81/08) for the parts of the document and the fulfilment of the decree in question and relating to the mitigation of the risk of committing the culpable crimes of homicide and serious and very serious injuries.
2. **Quality Management System** (ISO 9001). *Gilardoni* has a Quality Management System in place. Certain procedures and documentation of the System are to be considered applicable as exemption protocols of this Model. The list of procedures of the quality system is given in Annex B of this General Part.
3. **Information Security Management System (ISMS)** is the reference system for the protection and correct management of the company's information assets. It is detailed in a Manual, Policies, Guidelines, Procedures and Instructions.

The ISMS is built on the basis of international standards in information security management and personal data protection, including:

- ISO/IEC 27001 Standard - Information security management systems;
- ISO/IEC 29151 Standard - Code of practice for personally identifiable information protection;
- ISO/IEC 31000 Standard – Risk management principles and guidelines;
- NIST Standard SP 800-171 - Protecting unclassified Information in non-federal Information systems and organization.

The DPMS implements security measures to ensure compliance with the expected requirements of confidentiality, integrity and availability of information, as well as compliance with current regulations on information security.

4. **Data Protection Management System (DPMS)** is the system relating to the management of the security of personal data (pursuant to Legislative Decree no. 196/03 / GDPR). It is relevant for the purposes of the Organizational Model for the parts of the document and the obligations and relating to the mitigation of the risk of committing computer crimes and the maintenance of the completeness, availability and integrity of the data
5. **Common and ancillary parts to the Model** that are composed of Procedures (protocols), forms developed specifically for the Model. These are general rules issued for the purposes of Legislative Decree 231/01 (Procedures) that govern various areas of activity with the particular, although not exclusive, purpose of preventing the commission of the crimes referred to in the decree in question. The Model also includes those procedures (protocols), forms, provisions and circulars developed for management purposes that may represent measures to mitigate the risk of crime.

6.2. DEFINITION OF PROTOCOLS

Protocols can be understood as all those corporate measures that can be assimilated, for their direct or indirect purposes, to elements of mitigation of the risk of crime. The categories of protocols according to the Confindustria guidelines can be listed as:

a) *A sufficiently formalised and clear organisational system*, especially with regard to the allocation of responsibilities, the lines of hierarchical dependence and the description of tasks, with specific provision for control principles such as, for example, the opposition of functions.

b) *Manual and computerized procedures* such as to regulate the performance of activities by providing the appropriate control points. A particularly effective preventive measure is the control tool represented by the separation of tasks between those who carry out crucial phases (activities) of a risky process.

c) *Powers of authorization and signature*. In general terms, a proper system will have to ensure (quoting from the guidelines):

1. that the exercise of corporate powers in the context of a decision-making process is conducted from positions of responsibility consistent with the importance and/or criticality of certain economic transactions;

2. that the decision-making process is attended by persons who actually carry out the activities which are the subject of the exercise of the powers and who act under the directives of the latter;
3. that the entity is validly committed to third parties – e.g. customers, suppliers, banks, public administrations, etc. – only by a well-defined number of persons with a written proxy where the relative powers are specifically indicated.
- d) *Management control system* capable of providing timely reporting of the existence and occurrence of general and/or particular critical situations.
- e) *Communication to staff and their training*.
- (f) *Verification system*. It is important that organisational models are also periodically checked by parties other than those who have to operate them, and these checks must be properly documented.
- g) *Disciplinary system and sanctioning mechanisms*.
- h) *Code of Ethics with reference to the offences considered*.

7. ANALYSIS AND ASSESSMENT OF THE RISK OF CRIME AND THE MANAGEMENT OF THE IDENTIFIED RISKS

Crime risk analysis is an activity that primarily aims to identify and contextualize the risk of crime in relation to the governance, organizational structure and activity of the entity.

Secondly, through this activity, useful information can be obtained to support the choices of the SB and the Board of Directors (for their respective competences) regarding the actions to adapt and improve the organization, management and control model of the entity with respect to the preventive purposes indicated by Legislative Decree 231/2001 (such as the levels of exposure to individual crime risks).

The crime risk analysis was carried out through the evaluation of the following factors:

- The identification of crime risks (through the identification of areas and activities at risk of crime);
- the real probability that an illicit event will occur (through the assessment of the probability of the threats that induce or may induce the illicit event);
- the possible damage resulting from the commission of a crime (through the assessment of the Impacts);
- business weaknesses of an organizational nature that can be exploited to commit crimes (level of vulnerability).

The risk assessment carried out can be summarised as a function of three variables:

Risk of Crime = F (Probability of Threat; Vulnerability; Impact)

With respect to this formula:

- the **Probability of the Threat: it is the frequency of occurrence of a Threat, i.e. of an action, an activity, a process or a potential event which, depending on the type of Crime, represents a possible way of implementing the Crime itself.**
- the **Level of Vulnerability: this is the level of weakness of the company of an organizational nature; vulnerabilities can be exploited to commit Crimes and consist of the lack of preventive measures, which make it possible for a threat to occur and the consequent realization of the Crime;**
- **Impact:** it is the damage resulting from the commission of a crime in terms of sanctions, economic consequences, damage to image, as determined by the legislator or depicted;
- **Crime Risk:** it is the probability that the entity will suffer damage caused by the commission of a Crime through the implementation methods that exploit the vulnerabilities represented by the lack of preventive measures or by the negative ethical and organizational climate.

In order to identify the "areas" and "activities" "at risk of crime", the determination of the scope of application of the subjective conditions of the Decree assumes preliminary importance. In particular, the persons whose unlawful conduct may result in the Company's liability being extended have been identified.

More in detail (as provided for by Article 5 of Legislative Decree 231/2001):

- a) by persons who hold functions of representation, administration or management of the entity or of one of its organizational units with financial and functional autonomy as well as by persons who exercise, even de facto, the management and control of the same;
- b) persons under the direction or supervision of one of the persons referred to in point (a).

The results of the mapping of the areas and activities of the company at risk of crime are reported in Special Part A - *Risk Assessment Outcomes and Risk Management Plan* of the Model, which contains:

- The map of the Areas at risk of Crime highlights the Functional Areas (Corporate Bodies and Functions) potentially exposed to the risk of committing the Crimes referred to in the Decree;

- the map of Activities at risk of crime, which highlights the processes and/or sensitive activities, i.e. those activities or processes within the competence of the bodies and areas or functions of the company in which conduct constituting the predicate offences can be carried out in the abstract;
- the risk assessment matrices, which highlight the risk levels for groups of crimes for each company function;
- the risk management plan, which identifies the preventive protocols already in place or to be developed for the reduction of the risk of crime to an acceptable measure (to be understood as the residual "possibility of committing an offence only by fraudulently violating a preventive protocol").

7.1. RISK ASSESSMENT ACTIVITIES AIMED AT IDENTIFYING CRIME RISKS AND ASSESSING THE RISK AND PREVENTIVE EFFECTIVENESS OF THE EXISTING MODEL

In order to analyse the risk of crime, the following operational steps were carried out:

1. Identification of the type of crime and consequent identification of the threats that allow the commission of the criminal acts (in terms of conduct or operational activities);
2. Contextualization of the threats that allow the commission of the facts of crime with respect to the entity through *self-assessment techniques* (interviews with top and subordinate staff conducted by teams made up of lawyers, professionals in the analysis of processes and the internal control system and occupational psychologists);
3. Threat Probability Assessment:
 - Assign to each threat a probabilistic value about its occurrence, based on the following parameters:
 - a. Business or contextual history or statistics;
 - b. Importance of the activity for the reference institution or function;
 - c. Analysis of any precedents;
4. Vulnerability Level Assessment:
 - Assessment of the level of vulnerability to each threat, through the identification of the preventive measures implemented;
5. Assessment of the possible Impact:
 - Assessment of the possible damages caused to the entity in the event of the commission of crimes in terms of financial and/or disqualification sanctions and loss of image, business and turnover.

The analysis was performed through documentary analysis and *self-assessment* techniques.

For the documentary investigations, the following documentation was analyzed (or its existence or non-existence was verified):

Company Information

- Setting up the Company;
- Statute;
- Data relating to locations, such as geographical locations and activities conducted;
- Reports of inspections by Supervisory Authorities of possible relevance pursuant to Legislative Decree 231/2001 or on the subject of organizational structure;
- Minutes and official reports of the Independent Auditors or the auditor of the last three years of possible relevance pursuant to Legislative Decree 231/2001 or on the subject of organizational structure;

Outsourced governance, powers and services

- Official documents describing the governance structure and decision-making and control processes;
- Structure of Proxies and Powers of Attorney;
- Delegations and organization in the field of accident prevention and occupational health and safety, environment and waste, privacy and information security, social communications and/or other issues related to the company's business;
- Organizational Chart and Function Chart;
- Service contracts with (relevant) third parties.

Staff

- Compensation incentive plans and schemes;
- Information on relations with trade unions and labour disputes;
- Report on the application of disciplinary sanctions applied in the last three years, with specific highlighting of issues of relevance pursuant to Legislative Decree 231/2001.

Management Systems and Procedures

- Regulations and procedures concerning the Corporate Bodies;
- Accounting and financial statement procedures;
- Treasury procedures;
- Accounts receivable procedures;
- Passive cycle procedures and purchases;

- Personnel management procedures;
- Operating procedures for "core" activities;
- Procedures for relations with PAs;
- Accident prevention procedures and occupational health and safety;
- Security procedures and protection of personal data;
- Anti-money laundering and counter-terrorism procedures;
- Waste disposal and environmental procedures.

The study of the governance and formal organisation of the institution has made it possible to detect important information in order to identify and assess the risk. However, as mentioned, this activity was deemed necessary, but not sufficient for a complete risk analysis, given that unlawful conduct often involves the so-called "grey areas" of company activities, i.e. those carried out by staff and not regulated by company regulations.

The *self-assessment investigations* have therefore made it possible to verify and highlight the existence of crime risks within the individual areas or functions of the company.

7.2. MAP OF THE AREAS AND MAP OF THE COMPANY'S ACTIVITIES "AT RISK OF CRIME" (ART. 6, PARAGRAPH 2, LETTER A OF THE DECREE)

The main information related to the identification of crime risks is shown in the map of areas and in the map of activities at risk of crime.

The "Map of areas at risk of crime" highlights the Company Functions and Bodies exposed to the risk of committing unlawful conduct, based on the powers and duties assigned.

The Map of the areas at risk of crime (§ Special Part B of the Model and chapter 6 "Annex 1 - map of the areas at risk of crime" of the Special Part A - Outcomes of risk assessment and risk management plan of the Model) is represented by a double-entry table, where the corporate body or corporate function under investigation is reported in the y-axis and the Offences referred to date by the Decree in the x-axis. The following lines show which crime each corporate body and each function is exposed to, from a YES/NO perspective. Specifically, the green cells (NO) indicate that the organ, area or function under investigation is not exposed to the crime to which the crossing cell refers, while the red cells (SI) highlight the risks of crime to which the reference area or function is exposed.

The results reported by the maps highlight the results of the analysis and the factual surveys, which consider the actual execution of activities of the identified functions in the interest, for the benefit or on behalf of the institution.

The "Map of activities at risk of crime" highlights the processes and/or sensitive activities, i.e. those activities or processes under the competence of the bodies and areas or functions of the company in which conduct constituting the predicate offences can be carried out in the abstract.

The Map of activities is set out in Special Part A - Risk assessment outcomes and risk management plan of the Model, which contains specific paragraphs entitled and dedicated to the individual corporate bodies, areas or corporate functions analysed. Each paragraph contains a table divided into three columns: the first indicates the offence to which the corporate function or body is potentially exposed, the second the activity that exposes the body or function under analysis to the risk of a crime and the third reports the probability of the threat.

7.3. RISK MANAGEMENT PLAN

On the basis of the results of the activity aimed at identifying and assessing the risks of crime, the "Risk Management Plan" was drawn up (§chap. 5 "Risk Management Plan" of Special Part A - Risk assessment outcomes and risk management plan of the Model), which – as mentioned – identifies the preventive protocols already in place or to be developed for the reduction of the risk of crime to an acceptable measure (to be understood in the residual "possibility of committing an offence only by fraudulently violating a preventive protocol").

The plan is summarised in a table, which contains the following information:

- the risks of crime to be prevented (i.e. the individual crimes to be prevented);
- preventive protocols for reducing the risk of crime to the level deemed acceptable by the Company;
- the state of implementation of the protocols (Implemented/In Implementation) and the existence of the operating procedures;
- the priority of intervention of the implementation of protocols/procedures (high / medium / low);
- reference to the Company's protocols (if implemented).

The existing Protocols, such as the operating procedures already formalised by the Company, have been assessed from a 231 perspective, to verify their effectiveness as preventive protocols in relation to the related predicate offences.

The Risk Management Plan and the Preventive Protocols provided for therein comply with the following general principles:

- clear and formalised assignment of powers and responsibilities, with an express indication of the limits of exercise and in line with the duties assigned and the positions held within the organisational structure;
- separation of duties through a correct distribution of responsibilities and the provision of adequate levels of authorization, in order to avoid functional overlaps or operational allocations that concentrate critical activities on a single subject;

- existence of rules of conduct suitable to ensure the exercise of company activities in compliance with laws and regulations and the integrity of the company's assets;
- existence and documentation of control and supervision activities carried out on corporate transactions;
- existence of security mechanisms that guarantee adequate physical and logical protection/access to company data and assets;
- the existence of financial resource management tools.

The general and specific Preventive Protocols, which constitute an integral and substantial part of the Model, are listed in Annex B to the General Part of the Model. The documentation included in the management systems adopted by the Company is also an integral and substantial part of the Model.

8. SUPERVISORY BODY PURSUANT TO LEGISLATIVE DECREE NO. 231/01

8.1. APPOINTMENT AND COMPOSITION OF THE SUPERVISORY BODY AND ITS REQUIREMENTS

In compliance with the provisions of Article 6, paragraph 1, letter b) of Legislative Decree 231/01, *Gilardoni* identifies the Supervisory Body (hereinafter also referred to as the "Body" or "SB") in a structure that reports to the Board of Directors, having as a reference, in the structuring and attribution of the body's competences, the Confindustria Guidelines.

The Board of Directors defines, based on assessments of opportunity and necessity, whether to give the Body the connotation of a collegial structure ("multi-subject") or a monocratic structure ("mono-subjective"),

The Body may be formed by one ("monocratic") or two to five effective members ("collegial"). In the event of multiple members, the Body will appoint the President from among them.

The members of the Body remain in office for three years and the mandate may be renewed for the same period. Assignments for shorter periods are possible.

The members of the Body are chosen from among individuals with knowledge in *Gilardoni's* operational field, experts in legal matters, inspection and control procedures, consultancy and managerial skills and knowledge of company operating procedures and must be in possession of the integrity requirements referred to in Article 109 of Legislative Decree no. 385 of 1 September 1993.

The members of the Body must not be related to the Company's top management, nor may they be linked to the Company by significant economic interests (e.g. significant shareholdings); They must also be free from any situation that could give rise to a conflict of interest.

With the appointment resolution, the Board of Directors sets any remuneration due to the members of the SB for the task assigned to each one. In the case of an external member, the fee is certainly assigned. The appointment of the SB, its duties and powers, are promptly communicated to the *Gilardoni structure*.

In accordance with the provisions of the Confindustria Guidelines, *Gilardoni's SB* has been structured to meet the following requirements:

- **autonomy and independence:** these requirements refer to the Body as a whole and must characterise its action. It should be noted that members may carry out, in various capacities and with varying intensity, operational activities: the exercise of these activities could harm the objectivity of judgment. For this reason, those corporate activities have been identified for each member of the SB for which there may be a lack of segregation of tasks between operations and control. In cases where there is a conflict of interest, the members shall refrain from any decision-making activity and their activity shall be contained in advisory functions.
- **professionalism:** understood as a set of tools and techniques necessary to carry out the assigned activity, both of an inspection and consulting nature;
- **continuity of action:** in order to ensure effective and constant implementation of the Model, the SB structure is provided with an adequate budget and adequate resources. The members of the SB plan and spend a significant amount of time on supervisory activities in *Gilardoni*

In carrying out the tasks entrusted to it, the Supervisory Body may make use of the collaboration of qualified external parties, making use of their respective skills and professionalism in the exercise of supervisory and control activities. This choice allows the Supervisory Body to ensure a further and high level of professionalism and continuity of action.

To this end, the necessary tools must be put in place that provide for service levels, information flows and precise obligations of loyalty and confidentiality towards the Supervisory Body.

The members of the Body must not be in possession of subjective situations of incompatibility including, by way of example:

- have been the subject of a final criminal conviction with particular regard to the offences provided for by Legislative Decree 231/01.

Failure to meet the incompatibility requirements, while the term of office is in force, will result in the forfeiture of the office. In this case, the Board of Directors shall promptly appoint the replacement of the lapsed member, in compliance with the guiding principle of the choice indicated above, after ascertaining the existence of the requisites of professionalism and integrity.

The member of the Supervisory Body may be revoked at any time for just cause and/or for justified reason by the Board of Directors, which must promptly replace him/her, always in compliance with the guiding principle of the choice indicated above.

8.2. DUTIES OF THE SUPERVISORY BODY

The Supervisory Body is entrusted with the following tasks:

- To disseminate, know and understand the Model within the company;
- Supervise compliance with the Model itself;
- Collect, process and store any relevant information for the purpose of verifying compliance with the Model;
- Supervise the effectiveness of the Model over time, with reference to the conduct encountered within the company;
- Update the Model in the event that it is necessary and/or appropriate to make corrections and adjustments to the same, as a result of changed business and/or legislative conditions;
- promptly transmit to the Board of Directors the results of the investigation carried out with reference to the reports of violations received through the internal reporting system identified by the Company. Communications to the Board of Directors will be made in full compliance with the confidentiality obligations provided for by Legislative Decree 24/2023;
- Communicate and report periodically (at least annually) to the Board of Directors about the activities carried out, the reports received (guaranteeing the confidentiality of the reporting person's data), the corrective and improvement interventions of the Model and their state of implementation. Send a report to the Board of Directors on an annual basis containing the following elements: the total activity carried out during the year; activities that could not be carried out for justified reasons of time and resources; the necessary and/or appropriate corrective and improvement of the Model and their state of implementation.
- Identify and evaluate the opportunity to include termination clauses in contracts with Consultants, Collaborators, Attorneys, Agents, Distributors and Third Parties who have relations with the Company, in the context of business activities potentially exposed to the commission of the crimes referred to in the aforementioned Decree;
- Promote and disseminate knowledge of the principles contained in the Code of Ethics and their translation into consistent behaviour by the various company actors, identifying the most appropriate training and communication interventions as part of the relevant annual plans;
- Periodically verify and control the activities/operations at risk identified in the Model and carry out a survey of the company's activities with the aim of identifying the activities at risk of crime and suggesting their updating and integration, where appropriate;
- Establish specific "dedicated" information channels via e-mail, aimed at facilitating the flow of communications and information to the Body;
- On the basis of the results obtained, report the competent corporate structures for the development of operating and control procedures aimed at adequately regulating the performance of activities, in order to implement the Model.

8.3. POWERS OF THE SUPERVISORY BODY

In order to carry out the obligations listed in the previous paragraph, the Body is granted the following powers:

- Issue internal provisions intended to regulate the activities of the Body. These must be adequately motivated (e.g. provisions dictated by situations of urgency or opportunity), will be issued independently by the Supervisory Body, without being in conflict with the Company's regulations;
- Have access to any company document relevant to the performance of the functions assigned to the Body pursuant to Legislative Decree no. 231/2001;
- To make use of external consultants of proven professionalism in cases where this is necessary for the performance of verification and control activities or for updating the Model;
- Request that any employee and/or manager of the Company promptly provide the information, data and/or news requested from them in order to identify aspects related to the various corporate activities relevant to the Model and to verify the effective implementation of the same by the company's organizational structures (in the event of non-cooperation, the Body will report to the Board of Directors);
- Solicit the structures responsible for the application of disciplinary measures in the event of ascertained violations of the Model and its constituent elements;
- Promote the activation of any disciplinary proceedings.

8.4. INFORMATION FLOWS TO THE SUPERVISORY BODY

The Supervisory Body must be informed, through information flows by Directors, Statutory Auditors, Top Management Personnel and subjected to events that could give rise to liability of the Company pursuant to Legislative Decree 231/2001.

The "Information Flows" concern information/data/news identified by the Body itself and/or requested by them from the Recipients of the Model on a periodic basis; this information must be transmitted within the times and in the manner defined by the Body itself ("information flows").

The regulation of information flows to the Supervisory Body, with the identification of the information that must be communicated and the methods of transmission and evaluation of such information, as mentioned, is defined by the SB. In any case, the Supervisory Body must be notified of the following information:

- measures and/or information from judicial police bodies, or from any other Authority, from which it is evident that investigations have been carried out, even against unknown persons, for the crimes contemplated by Legislative Decree 231/01 and that may involve *Gilardoni*;
- requests for legal assistance submitted by employees in the event of legal proceedings being initiated against them and in relation to the offences referred to in Legislative Decree 231/01, unless expressly prohibited by the judicial authorities;
- reports prepared by the heads of organizational units and corporate functions as part of their control activities, from which facts, acts, events or omissions emerge with critical profiles with respect to compliance with the provisions of Legislative Decree 231/01;
- information relating to the disciplinary proceedings carried out and any sanctions issued, in relation to the cases provided for by Legislative Decree 231/01 or the dismissal of such proceedings with the related reasons.

All information, reports and reports provided for in the Model are kept by the Supervisory Body in a dedicated archive.

8.5. REPORTS OF THE SUPERVISORY BODY TO THE CORPORATE BODIES

The Supervisory Body informs the Board of Directors on the application and implementation of the Model, as well as on the emergence of any critical aspects and the need for modifications.

The Supervisory Body prepares:

- within 90 days of the closure of each financial year, a summary report of the activities carried out in the past year and a plan of the activities planned for the current year, to be presented to the Board of Directors;
- immediately, a notice relating to the occurrence of extraordinary situations (e.g. violations of the principles contained in the Model, etc.) and in the event of reports received or other cases of an urgent nature, to be submitted to the Board of Directors for examination (Ref. chapter 9 "The whistleblowing reporting system in *Gilardoni S.p.A.*").

9. THE WHISTLEBLOWING REPORTING SYSTEM AT GILARDONI S.P.A

The Company has adopted a reporting system in compliance with the indications of Legislative Decree no. 24/2023 in compliance with the guarantees to protect Reporting Persons. All Recipients of the Model are, therefore, obliged to report Violations of national or European Union regulatory provisions that harm the public interest or the integrity of the public administration or private entity, of which they have become aware in the Work Context.

The following circumstances ("Violations") are the subject of the Report:

1. unlawful conduct pursuant to Legislative Decree no. 231 of 8 June 2001, or violations of the Organisation and Management Model provided for by the same Decree and adopted by the Company, which do not fall under numbers 2), 3), 4) and 5) of art. 2 paragraph 1 letter a) of Legislative Decree 24/2023.
2. offences falling within the scope of the European Union or national acts set out in the relevant Annex to Legislative Decree No 24/2023 or national acts implementing the European Union acts set out in the Annex to Directive (EU) 2019/1937, even if not indicated in the relevant Annex to Legislative Decree No 24/2023, relating to the following areas: public procurement; financial services, products and markets and the prevention of money laundering and terrorist financing; product safety and compliance; transport safety; environmental protection; radiation protection and nuclear safety; food and feed safety and animal health and welfare; public health; consumer protection; protection of privacy and protection of personal data and security of networks and information systems;
3. acts or omissions affecting the financial interests of the Union as referred to in Article 325 of the Treaty on the Functioning of the European Union as specified in the relevant secondary legislation of the European Union;
4. acts or omissions relating to the internal market, as referred to in Article 26(2) of the Treaty on the Functioning of the European Union, including infringements of the European Union competition and State aid rules, as well as infringements concerning the internal market linked to acts infringing corporate tax rules or mechanisms the purpose of which is to obtain a tax advantage which defeats the object or purpose of the applicable legislation corporate tax;
5. acts or conduct which defeat the object or purpose of the provisions of Union acts in the areas referred to in points (2), (3) and (4).

Reports may concern:

- information, including reasonable suspicions, regarding Violations committed;
- information, including reasonable suspicions, regarding Violations that, on the basis of concrete evidence, may be committed;
- evidence of conduct designed to conceal such violations.

With specific reference to the conduct referred to in number 1), the following cases are recalled, by way of example:

- unlawful conduct, relevant pursuant to Legislative Decree 231/01;

- violations of the Model, the Code of Ethics or preventive Protocols that may result in a risk of sanctions for the Company pursuant to the Decree;
- suspicions of violations of the Model, the Code of Ethics or preventive Protocols that may result in a risk of sanctions for the Company pursuant to the Decree;
- corporate or business transactions for which it is suspected that the Company may be subject to a risk of sanctions pursuant to the Decree.

The Reports of Violations referred to in number 1), can only be made through the Internal Reporting channel (see chapter 10.8.1.1 "Internal Reporting").

With regard to the methods of transmission of information/data/news, the following provisions apply.

9.1. REPORTING CHANNELS⁴

With regard to the methods of transmission of information/data/news, the following provisions apply.

9.1.1. INTERNAL SIGNALING

In accordance with the law, the Company has activated its own internal reporting channel pursuant to Legislative Decree no. 24/2023, which guarantees the confidentiality of the identity of the Reporting Person, the Person involved and the person in any case mentioned in the Report, as well as the content of the Report and which guarantees the adoption of technical and organizational measures in accordance with the provisions of the decree in question.

The management of this channel is entrusted to the Supervisory Body, whose members have been duly authorised by the Company to process the personal data⁵ contained in the Internal Reports.

The procedures for making an internal Violation Report, as well as the activity carried out by the Committee in the context of its management, is governed by a specific "*Whistleblowing Procedure*" procedure included among the procedures of the Model summarized in Annex B to the General Part of the Model, to which reference should be made for further details.

9.1.2. EXTERNAL SIGNALING

The Reporting Person may also submit an external report to the National Anti-Corruption Authority (ANAC) under the following conditions:

- a) the internal report submitted in accordance with the deadlines set out in this procedure has not been followed up;
- b) the Reporting Person has well-founded and substantiated reasons to believe that, if he/she makes an internal report, it would not be effectively followed up, or the same could lead to the risk of retaliation;
- c) the Reporting Person has reasonable grounds to believe that the breach may constitute an imminent or obvious danger to the public interest.

The external reporting channel established by ANAC guarantees, in the same way as the above-mentioned internal channel defined by the Company, the confidentiality of the identity of the Reporting Person, the content of the report, the person reported and any persons involved.

External reports are made in written form through the IT platform made available by ANAC on its website in the section dedicated to "*Whistleblowing*". The report may also be made orally through telephone lines or voice messaging systems, or at the request of the Reporting Person, through a direct meeting set within a reasonable time; the methods of access to these channels are specified by ANAC on its website.

9.1.3. PUBLIC DISCLOSURE

The Reporting Person is also guaranteed the possibility of making a public disclosure if one of the following conditions is met:

- a) the Reporting Person has previously made an internal and/or external report and has not received feedback within the terms provided for in this procedure⁶ regarding the measures envisaged or adopted to follow up on the report;
- b) the Reporting Person has reasonable grounds to believe that the breach may constitute an imminent or obvious danger to the public interest;
- c) the Reporting Person has reasonable grounds to believe that the external report may involve the risk of retaliation or may not be effectively followed up due to the specific circumstances of the specific case, such as those in which evidence may be concealed or destroyed or where there is a well-founded fear that the person receiving the report may be colluding with the infringer or involved in the violator.

⁴ Legislative Decree 24/23, in addition to the reporting or disclosure channels indicated by this procedure, provides in any case for the possibility for the reporting person to make a complaint to the judicial or accounting authority.

⁵ The authorization is intended to be provided pursuant to art. 29 of Regulation (EU) 2016/679 and art. 2-quaterdecies of Legislative Decree 196/03.

⁶ In compliance with the provisions of Articles 5 and 8 of Legislative Decree 24/2023 on "*Implementation of Directive (EU) 2019/1937 of the European Parliament and of the Council of 23 October 2019 on the protection of persons who report breaches of Union law and on the protection of persons who report breaches of national legal provisions*"

9.2. PROTECTION OF THE REPORTING PERSON AND APPLICATION OF PROTECTIVE MEASURES

Any form of Retaliation against the Reporting Person is prohibited.

Pursuant to the law, the prohibition of Retaliation and, in any case, the protection measures provided for by law against the Reporting Person, also apply:

- d) Facilitators;
- e) to persons in the same working context as the Reporting Person, the person who has filed a complaint with the judicial or accounting authority or the person who has made a public disclosure and who are linked to them by a stable emotional or family bond within the fourth degree;
- f) to the work colleagues of the Reporting Person or of the person who has filed a complaint with the judicial or accounting authority or made a Public Disclosure, who work in the same Work Context as the same and who have a habitual and current relationship with that person;
- g) to entities owned by the Reporting Person or by the person who has filed a complaint with the judicial or accounting authority or who has made a public disclosure or for which the same persons work, as well as to entities operating in the same Work Context as the aforementioned persons.

The protective measures are applied when, at the time of the Report (internal and/or external), or of the complaint to the judicial or accounting authority or of the Public Disclosure, the Reporting Person:

- had reasonable grounds to believe that the information on the Violations was true and related to violations of national or European Union regulatory provisions that harm the integrity of the private entity, of which they became aware in the Work Context;
- has made the Report (internal and/or external) or Public Disclosure in accordance with the provisions of the legislation applicable to them pursuant to Legislative Decree 24/2023.

The reasons that led the person to report or report or publicly disclose are irrelevant for the purposes of his or her protection.

The conditions provided for protection also apply in cases of Reporting (internal and/or external) or complaint to the judicial or accounting authority or anonymous public disclosure, if the Reporting Person has been subsequently identified and has suffered retaliation, as well as in cases of reporting submitted to the competent institutions, bodies and agencies of the European Union, in accordance with the conditions set out in this procedure (as well as Article 6 of Legislative Decree no. 24/2023).

The adoption of discriminatory measures against reporting persons can be communicated to ANAC, which in turn will inform the National Labour Inspectorate for the measures within its competence.

Acts taken in violation of the prohibition of Retaliation are null and void and the Reporting Person who has been dismissed due to the Reporting (internal and/or external) of Public Disclosure or complaint is entitled to be reinstated in the workplace.

In the context of judicial or administrative proceedings or in any case out-of-court disputes concerning the ascertainment of prohibited conduct, acts or omissions towards the Reporting Person, it is presumed that the same have been carried out due to the Reporting (internal and/or external), the Public Disclosure or the complaint. By law, the burden of proving that such conduct or acts are motivated by reasons unrelated to the Reporting (internal and/or external), the Public Disclosure or the Complaint is borne by the person who carried them out (e.g. Employer).

In addition, in the event of a claim for damages submitted to the judicial authority by the Reporting Person, if the latter proves that he or she has made a Report (internal and/or external), a Public Disclosure or a complaint to the judicial or accounting authority and that he or she has suffered damage, the damage shall be presumed, unless proven otherwise, to have resulted from the damage.

9.3. LIMITATION OF LIABILITY

In accordance with the law, the Reporting Person who reveals or disseminates information on Violations covered by the obligation of secrecy, other than that referred to in Article 1, paragraph 3 of Legislative Decree 24/2023⁷, or relating to the protection of copyright or the protection of personal data or reveals or disseminates information on Violations that offend the reputation of the Person involved or reported, is not punishable, when, at the time of disclosure or dissemination, there were reasonable grounds to believe that the disclosure or dissemination of the same information was necessary to unveil the Violation, and the Report (internal and/or external), the public disclosure or the complaint to the judicial or accounting authority was carried out in compliance with the provisions of Legislative Decree 24/2023.

In such cases, any further liability, including civil or administrative liability, is also excluded.

Unless the act constitutes a criminal offence, the Company or the Reporting Person shall not incur any liability, including civil or administrative liability, for the acquisition of Information on Violations or for access to them.

⁷ Article 1, paragraph 3 of Legislative Decree 24/2023 provides: "This is without prejudice to the application of national or European Union provisions on:

(a) classified information;
(b) legal and medical professional secrecy;
(c) secrecy of court deliberations."

In any case, criminal liability and any other liability, including civil or administrative liability, is not excluded for conduct, acts or omissions not related to the Report (internal and/or external), to the report to the judicial or accounting authorities or to the Public Disclosure or that are not strictly necessary to reveal the Violation.

9.4. RECORDING, CUSTODY AND ARCHIVING OF REPORTS

The Supervisory Body establishes, through its Regulations, the procedures for recording Reports relating to Violations (also governed by the whistleblowing procedure); these procedures take into account the confidentiality obligations regarding the names of the Reporting Persons and the Persons involved, the Follow-up of the Report and the verification investigations, in order to ensure that such data and information cannot be consulted by persons other than the members of the SB themselves. The procedures for the custody and archiving of the Reports and Investigations Book are governed by a specific procedure and by the Supervisory Body's Operating Regulations.

9.5. REPORTS CONCERNING A MEMBER OF THE SUPERVISORY BODY

Reports of violations concerning a member of the Supervisory Body must be transmitted through the internal reporting channel made available by the Company and indicated in the "Whistleblowing Procedure".

In the event that the Internal Report concerns more than one member of the Supervisory Body, it must be sent to the Board of Directors, by delivering any supporting documentation to the Chairman of the Board of Directors.

In such cases, appropriate information, verification and intervention activities are provided for by other control bodies of the Company to ensure the correctness of the processes and decisions. For further details on this matter, please refer to the "Whistleblowing Procedure" which governs the system of reporting violations within the Company.

10. MODEL CHECKS, UPDATES AND ADJUSTMENTS

10.1. SUPERVISORY BODY

The Supervisory Body is empowered to update the entire Model and to submit it to the Board of Directors for approval on the occasion of the changes made.

Changes are changes to all parts of the model and annexes. They are made when this is appropriate, also due to the introduction of significant legal changes, or significant new rules of the Model, even if not attached to this document.

Following significant amendments, this document is again submitted to the Board of Directors for approval.

10.2. CHECKS AND CONTROLS ON THE MODEL

The Supervisory Body draws up an annual supervisory programme through which it plans, in principle, its verification and control activities.

The programme contains a calendar of activities to be carried out during the year, including the possibility of carrying out unscheduled checks and controls.

In carrying out its activities, the Supervisory Body may avail itself of the support of persons with specific skills in the business sectors, such as:

- functions and units of *Gilardoni*;
- qualified third parties or entities that carry out activities under outsourcing contracts.

The Supervisory Body is recognized, during the planned audits and inspections, with the broadest powers in order to effectively carry out the tasks entrusted to it.

10.3. UPDATING AND ADAPTATION OF THE MODEL

The Board of Directors, also making use of the proposals and suggestions of the Supervisory Body, is responsible for updating the Model and adapting it in relation to changes in organizational structures, operating processes and the results of controls.

The Supervisory Body carries out tasks and powers regarding the care, development and promotion of the constant updating of the Model. To this end, it may make observations and proposals, relating to the organization and the control system, to the Board of Directors and to the organizational units for the relevant aspects.

Changes are changes to all parts of the model and annexes. They are made when this is appropriate, also due to the introduction of significant changes in the law, or significant new rules of the Model with regard to all the parts that compose it.

Following significant amendments, the Model is once again submitted to the Board of Directors for approval.

Revisions to the procedures of the Model that do not imply substantial changes and refer to parts of the procedures already dealt with and do not imply additions of activities or the inclusion of new subjects and new responsibilities are not considered relevant. In these cases, the changes are entrusted to the Chief Executive Officer or other internal parties delegated to him.

The Supervisory Body verifies and urges that the changes be made operational, within the timeframe indicated with the Board of Directors, the amendments to the Model approved by the Board of Directors and to take care of the dissemination of the contents within *Gilardoni* and, as far as necessary, also outside the same.

In order to ensure that changes to the Model are made with the necessary timeliness and streamlining, also in order to minimise misalignments between the operating processes, on the one hand, and the provisions contained in the Model and their dissemination, on the other, the Board of Directors has decided to delegate to the Supervisory Body the task of reporting, on a periodic basis, the need to make any changes to the Model.

As part of the annual report, the Supervisory Body may submit to the Board of Directors any information on any changes that it proposes to make to the Model itself, so that the Board of Directors, in the exercise of its exclusive competence in the matter, may resolve on the matter.

11. INFORMATION FLOWS AND COMMUNICATIONS

11.1. INFORMATION MANAGEMENT AND DISSEMINATION POLICY

Gilardoni, in order to effectively implement the adopted Model, intends to ensure a correct and complete dissemination of the contents and principles of the same inside and outside its structure.

In particular, *Gilardoni's objective is to extend the communication of the contents and principles of the Model not only to its Employees but also to persons who, although not formally qualified as Employees, also operate occasionally to achieve Gilardoni's objectives by virtue of contracts and over which Gilardoni is able to exercise management or supervision.*

In the event of regulatory innovations or partial or substantial changes to the Model, it will implement initiatives aimed at making the new content known and disseminated in a timely manner to all Recipients.

11.2. DISSEMINATION OF THE MODEL AND TRAINING

For the purposes of the effectiveness of this Model, it is the Company's objective to ensure correct disclosure and knowledge of the rules of conduct contained therein with regard to the resources already present in the company and those to be included, with different degrees of detail in relation to the different levels of involvement of the same resources in activities at risk.

The information and training system is supervised and integrated by the activities carried out in this field by the Supervisory Body, in collaboration with the head of the Company Functions or Areas involved in the application of the Model from time to time.

11.2.1. INITIAL COMMUNICATION

This Model is communicated to all the resources present in the company at the time of its adoption. To this end, a dedicated section has been set up within the company intranet site dedicated to the subject and updated by the Supervisory Body, in which the descriptive documents of the Model are located. New hires are given an information set, consisting of the Code of Ethics and the Organization Model, with which to ensure that they have the knowledge considered to be of primary importance.

11.2.2. ADVERTISING

For the purposes of the validity of the sanctioning system, advertising is also complied with by posting this Model and the Code of Ethics on the company bulletin board.

11.2.3. FORMATION

The training activity, aimed at disseminating knowledge of the regulations referred to in Legislative Decree 231/2001, is differentiated in terms of content and delivery methods according to the qualification of the recipients, the level of risk of the area in which they operate, and whether or not they have representative functions of the Company. In particular, the Company provides different levels of information and training through dissemination tools such as, by way of example, periodic targeted seminars, occasional update e-mails, internal information notes.

Differentiated training content is defined according to the Recipients, the nature and propensity to risk of committing crimes according to the role assigned. For example: top management, clerical workers, intermediate workers and blue-collar workers.

Training for these subjects is held at least every two years and in any case according to the regulatory developments that have taken place in the meantime. The methods of delivery can be: in the classroom, on computer supports (online) and in self-instruction following the delivery of the training material (new hires). At the end of or during the training, checks are conducted on the participants' learning of the course content.

All recipients are obliged to participate in the training as planned by the Company in coordination with the Supervisory Body.

The initial communication and periodic training activities for company personnel are documented by the Supervisory Body.

11.3. CONTRACTUAL CLAUSES WITH THIRD PARTIES AND SUPPLIERS

In order to avoid conduct contrary to the provisions of the Model, *Gilardoni* will also agree with its business partners and suppliers on standard clauses that contractually commit the latter not to adopt acts or engage in conduct that could lead to a violation of the Model.

12. DISCIPLINARY AND SANCTIONING SYSTEM

12.1. FUNCTIONS OF THE DISCIPLINARY AND SANCTIONING SYSTEM

Art. 6, paragraph 2, letter e) and Art. 7, paragraph 4, letter b) of Legislative Decree 231/01 indicate, as a condition for an effective implementation of the Organisation and Management Model, the introduction of a disciplinary system suitable for sanctioning non-compliance with the measures indicated in the Model itself. The definition of an effective disciplinary system is an essential prerequisite for the value of the Model.

The sanctions provided for by the disciplinary system will be applied to any violation of the provisions contained in the Model, regardless of the conduct and outcome of any criminal proceedings initiated by the judicial authority in the event that the conduct to be censured constitutes a crime, relevant pursuant to Legislative Decree 231/01.

12.2. MEASURES AGAINST EMPLOYEES

Gilardoni has, therefore, adopted a Disciplinary System primarily aimed at sanctioning the violation of the principles, rules and measures provided for in the Model and the related Protocols, in compliance with the rules provided for by the national collective bargaining agreement, as well as the laws or regulations in force.

On the basis of this Disciplinary System, violations of the Model and related Protocols, committed by persons placed in a "top" position - as holders of representation, administration or management functions of the Entity or of one of its organizational units with financial and functional autonomy, or holders of power, even if only de facto, are liable to sanction. management or control of the Entity - and violations perpetrated by persons "subject" to the direction or supervision of others or operating in the name and/or on behalf of *Gilardoni*.

It is always a disciplinary offence for *Gilardoni* employees to violate the individual provisions and rules of conduct referred to in the Model, subject to the National Collective Agreement applied and in place.

The procedures contained in the Model, the non-compliance with which is intended to be sanctioned, are communicated to all employees through the tools provided for in chapter 11 "Information Flows and Communications" of this document and are binding for all *Gilardoni* employees.

Any violation of the general principles of the Model, the rules of conduct imposed by the Code of Ethics and the procedures of the Model will be subject to disciplinary action aimed at ascertaining responsibility for the violation itself. In particular, during the assessment phase, the employee will be previously challenged with the charge and will also be guaranteed a reasonable time to present his defenses and justifications for the dispute. Once this responsibility has been ascertained, a disciplinary sanction proportionate to the seriousness of the violation committed will be imposed on the offender.

The sanctions that may be imposed on *Gilardoni*'s employees, in accordance with the provisions of Article 7 of Law No. 300 of 30 May 1970 (the so-called Workers' Statute) and any applicable special regulations, are those provided for by law as well as by the sanctioning apparatus of the Employment Contracts, namely:

1. verbal reprimand for minor faults;
2. reprimand imposed in writing in cases of repeated infringements referred to in point 1 above;
3. a fine not exceeding the amount of 4 hours of the normal salary referred to in Art. 193;
4. suspension from pay and service for up to 10 days;
5. disciplinary dismissal without notice and with the other consequences of reason and law.

The type and extent of each of the above-mentioned sanctions will also be applied, taking into account:

- the intentionality of the conduct or the degree of negligence, imprudence or inexperience with regard also to the foreseeability of the event;
- the overall conduct of the worker with particular regard to the existence or not of the employee's disciplinary record, within the limits permitted by law;
- the worker's duties;
- the functional position and the level of responsibility and autonomy of the persons involved in the facts constituting the lack;
- of the other particular circumstances that accompany the disciplinary offence.

It is understood that all the provisions and guarantees provided for by law and by the Employment Contracts regarding disciplinary proceedings will be followed; In particular, the following will be respected:

- the obligation - in relation to the application of any disciplinary measure - to first contest the charge to the employee and to listen to the latter with regard to his defence;
- the obligation - except for the verbal warning - that the complaint be made in writing and that the measure is not issued until the days specifically indicated for each sanction in the Employment Contracts have elapsed from the objection to the charge.

With regard to the detection of infringements, disciplinary proceedings and the imposition of sanctions, the powers already conferred, within the limits of their respective powers and competences, on managers and hierarchical managers remain valid.

Gilardoni intends to inform its employees of the provisions and rules of conduct contained in the Model, the violation of which constitutes a disciplinary offence, as well as the applicable sanctioning measures, taking into account the seriousness of the infringements.

12.3. MEASURES AGAINST EXECUTIVES

In the event of violations of the provisions and rules of conduct contained in the Model by managers, the following disciplinary measures shall be imposed against the perpetrators of the censured conduct.

12.3.1. LETTER OF WARNING

This measure is applied when behaviour is detected, in the performance of activities in risky activities, that constitutes minor violations of the provisions of the Model.

12.3.2. TERMINATION OF THE REPORT

This measure is applied when behaviour is detected, in the performance of activities in risky activities, that constitutes serious violations with respect to the provisions of the Model.

Alternatively, the measures deemed most appropriate will be imposed in accordance with the provisions of the CCNL for managers in the Commerce sector.

12.4. MEASURES AGAINST DIRECTORS AND STATUTORY AUDITORS

Violations of the principles and measures set out in the Model adopted by the Company by Directors and/or Statutory Auditors must be promptly communicated by the SB, the entire Board of Directors and the Board of Statutory Auditors.

It is also subject to disciplinary sanctions against Directors and Statutory Auditors who, due to negligence or inexperience, have not been able to identify, and consequently eliminate violations of the Model and, in the most serious cases, and perpetration of crimes.

The most appropriate sanction against the Director and/or the Statutory Auditor who has violated the Model is taken by the Board of Directors after hearing the opinion of the Board of Statutory Auditors with a resolution by an absolute majority of those present, excluding the Director or Directors who committed the infringements.

In particular, in the event of minor violations of the Model by one or more Directors, the Board of Directors may proceed directly to the imposition of the sanctioning measure of a formal written warning or temporary revocation of proxies.

If, on the other hand, violations of the Model by one or more Directors are particularly serious as they are unequivocally aimed at facilitating or committing a predicate offence, the Board of Statutory Auditors or the Board of Directors shall convene the Shareholders' Meeting, which will assess whether or not to revoke the Director or Statutory Auditor and/or resolve on the liability action against the same.

12.5. MEASURES AGAINST OTHER RECIPIENTS

Any violation by Suppliers, Attorneys, Agents, Distributors, Brokers, Partners, Contractors, Resellers, Partners, Appointed Professionals or External Collaborators of the provisions and rules of conduct provided for by the Model applicable to them, or the possible commission of the crimes contemplated by Legislative Decree 231/01 by them, will be, as far as possible, sanctioned in accordance with the provisions of the specific clauses of the relevant contracts. These clauses may provide, by way of example only, for the right to terminate the contract and/or the payment of penalties (in compliance with the clauses included ad hoc in the relevant contracts), without prejudice to any request for compensation if such conduct results in concrete damage to the Company.

12.6. MEASURES TO PROTECT AND SANCTION THE WHISTLEBLOWER

The Company has adopted a reporting system in compliance with the indications of Legislative Decree no. 24/2023 in compliance with the guarantees to protect Reporting Persons.

In accordance with the provisions of the law, the Company undertakes to protect the Reporting Person in the terms and in the manner set out in § 9.2 et seq., as well as with respect to the provisions of the procedure for managing Reports.

Pursuant to the law, the protections provided for by the relevant legislation (to date Legislative Decree no. 24/2023) and referred to in this Model (as well as in the procedure for managing reports) are not guaranteed, and a disciplinary sanction is imposed on the reporting or complaining person, when his or her criminal liability for the crimes of defamation or slander or in any case for the same crimes committed with the complaint to the authority is ascertained, even with a first instance sentence judicial or accounting or its civil liability, for the same reason, in cases of wilful misconduct or gross negligence.

The violation of the confidentiality obligations of the Reporting Person's data is considered as a violation of Model 231 and is sanctioned under the sanctioning and disciplinary system referred to in the same Model.

12.7. EFFECTS OF THE SANCTIONING AND DISCIPLINARY SYSTEM ON THE REWARD SYSTEM

The Company's remuneration and bonus system includes regulatory compliance as a component of the conditions for the accrual of entitlements to any bonuses within the remuneration system.

This is an expression of the Company's business policy, which does not accept the assumption of risks of unlawful acts, which is a prerequisite for the liability regime of entities for the achievement of corporate objectives.

The sanctioning system therefore also has repercussions with reference to the bonus system adopted by the Company. From this point of view, any award of bonuses for the achievement of objectives must be considered subject to the essential condition of having complied with the principle of legality in the performance of work (or performance) activities, carried out in the interest or to the advantage of the Company, which have led to the achievement of the objectives. This is because the Company repudiates illicit or incorrect conduct on the part of senior and subordinate personnel and does not accept either the risks or the benefits.

Where the objectives have been achieved using illicit or fraudulent means, the staff will not be entitled to any bonus and, if the same has already been paid on the date on which the Company receives notice of the deviant behaviour, the Company itself - in addition to applying the appropriate sanctions - will take legal action for the unjustified enrichment of the same.

To this end, the Company has established a reward system that defines in writing the objectives, fees and terms of payment of the premiums. The reward system adopted also provides for compliance with legality as a necessary condition for the achievement of the objective and the consequent reward to be recognized.

Unless more serious penalties are applied, the bonus system provides for the following criteria for reducing the premium accrued:

- failure to participate in training sessions on the liability of entities and in relation to the Model or its Preventive Protocols;
- failure to participate in training sessions on procedures relating to health or regulatory activities, health and safety in the workplace, IT security and privacy and other matters for which there is a risk of crime and/or a training obligation is required by the legislator;
- the violation of the rules of the Model, the Code of Ethics, preventive protocols or operating procedures referred to in the Model itself.

13. DISCLOSURE OF THE ORGANIZATIONAL MODEL

This Organizational Model has been approved by *Gilardoni*' s Board of Directors.

The company undertakes to make this Organisation Model known to all Recipients pursuant to Legislative Decree 231/01.

14. ANNEXES TO THE GENERAL PART

The following are an integral part of this General Part of the Organizational Model:

G002 - Annex A - Offences provided for by Legislative Decree 231/01.

G003 - Annex B - List of procedures of the Organizational Model and Quality System procedures.