



Pall Italia S.r.l.

Emilia Street no. 26 – Buccinasco
(MI)

PALL ITALIA S.R.L.

Organisational, Management and Control Model
adopted pursuant to
Legislative Decree no. 231 of 8 June 2001

- General Part -

REVISION HISTORY	
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CONTENTS

Contents	2
Section one	4
1. LEGISLATION ON THE ADMINISTRATIVE LIABILITY OF ENTITIES: LEGISLATIVE DECREE NO. 231 OF 8 JUNE 2001, AS AMENDED	4
1.1 THE ADMINISTRATIVE LIABILITY OF ENTITIES	4
1.2 THE OFFENCES UNDER THE DECREE	6
1.3 SANCTIONS APPLICABLE TO THE ENTITY	6
1.4 ADOPTION OF THE MODEL AS EXEMPTION FROM LIABILITY	10
1.5 THE CONFINDUSTRIA "GUIDELINES" AND OTHER GUIDING PRINCIPLES	12
Section two	13
2. THE ORGANISATION, MANAGEMENT AND CONTROL MODEL BY PALL ITALIA S.R.L.	13
2.1 DESCRIPTION OF THE COMPANY	13
2.2 PURPOSE OF THE MODEL	14
2.3 RECIPIENTS	15
2.4 FUNDAMENTAL ELEMENTS OF THE MODEL	15
2.5 CODE OF ETHICS AND MODEL 231	17
2.6 THE STRUCTURE OF THE ORGANISATIONAL AND CONTROL SYSTEM	17
2.7 IDENTIFYING AT RISK ACTIVITIES AND DEFINING PROTOCOLS	18
2.8 GENERAL CONTROL PROTOCOLS	19
Section three	21

3. supervisory body 21

3.1 INTRODUCTION	21
3.2 TERM OF OFFICE, GROUNDS FOR INELIGIBILITY, DISQUALIFICATION, REVOCATION AND RESIGNATION	22
3.3 POWERS AND FUNCTIONS OF THE SUPERVISORY BODY	23
3.4 REPORTING TO AND FROM THE SUPERVISORY BODY	25
3.5 INFORMATION FLOWS AND REPORTING TO THE SUPERVISORY BODY	26

Section four 30

4. DISCIPLINARY SYSTEM AND SANCTION MECHANISMS ... 30

4.1 GENERAL PRINCIPLES	30
4.2 SANCTIONS AGAINST EMPLOYEES	31
4.3 MEASURES AGAINST EXECUTIVES	34
4.4 CONSEQUENCES (SANCTIONS) APPLIED TO CONSULTANTS, COLLABORATORS AND/OR COMMERCIAL AGENTS	35
4.5 SANCTIONS AGAINST SENIOR MANAGERS (OTHER THAN THE ADMINISTRATIVE BODY)	36
4.6 SANCTIONS AGAINST THE ADMINISTRATIVE BODY	36
4.7 CONSEQUENCES FOR THE SOLE AUDITOR	37

Section five 38

5. UPDATING THE MODEL 38

Section six 39

6. MODEL INFORMATION, TRAINING AND DISSEMINATION .. 39

SECTION ONE

1. LEGISLATION ON THE ADMINISTRATIVE LIABILITY OF ENTITIES: LEGISLATIVE DECREE NO. 231 OF 8 JUNE 2001, AS AMENDED

1.1 THE ADMINISTRATIVE LIABILITY OF ENTITIES

Legislative Decree no. 231 of 8 June 2001, setting forth the “*Regulations on the administrative liability of legal entities, companies and associations, even without legal personality*” (hereinafter, also referred to as “**Legislative Decree 231/2001**” or even just the “**Decree**”), which came into force on 4 July 2001 in implementation of art. 11 of Delegated Law no. 300 of 29 September 2000, has introduced into the Italian legal system, in accordance with what was already provided for in the European Union, the administrative liability of entities regulation¹.

This legislation provides for the direct and independent liability of entities arising from the commission or attempted commission of certain offences in the interest or to the advantage of those entities. In fact, the entity's administrative liability is in addition to the criminal liability of the perpetrator of the crime, i.e. the natural person materially responsible for the

¹ Article 1 of Legislative Decree no. 231 of 2001 delimited the scope of the recipients of the legislation to “entities with legal personality, companies and associations, including those without legal personality”. In light of this, the regulation applies to:

- entities with private subjectivity, i.e. entities with legal personality and associations “even without” legal personality;
- entities with public subjectivity, i.e. entities with public subjectivity but without public powers (so-called “economic public bodies”);
- entities with mixed public/private entities (so-called ‘joint enterprises’).

On the other hand, the following are excluded from the list of addressees: the State, territorial public entities (Regions, Provinces, Municipalities and Mountain Communities), non-economic public entities and, in general, all entities that perform functions of constitutional importance (Chamber of Deputies, Senate of the Republic, Constitutional Court, General Secretariat of the Presidency of the Republic, C.S.M. [Superior Council of Judges], etc.).

commission of one of the crimes included in the catalogue of crimes (hereinafter also referred to, for the sake of brevity, as the "**Predicate Offence**") provided for by the Decree. Although this new form of liability is defined as "administrative" by the legislature, it has however some aspects of criminal liability, since, for example, the establishment of the crimes from which it is derived is referred to the criminal court and the guarantees of the criminal trial are extended to the entity.

The Decree establishes that the entity is liable for offences committed:

- in its interest² or to its advantage³ (objective element):
- by persons functionally related to the entity (subjective element), and in particular:
 - a) by individuals in positions of representation, administration or management of the entity or of one of its organisational units with financial and functional autonomy, as well as by individuals who exercise, including de facto, the management and control of the entity (so called **senior managers**);
 - b) individuals who are under the management or supervision of the parties referred to in letter a) above (so called **subordinates**).

The liability of the entity is excluded where the crime was committed solely in the interest of the offender.

In addition to the existence of the objective and subjective elements described above, Legislative Decree 231/2001 requires the establishment of culpability on the part of the entity, in order to be able to affirm its liability: this requirement is attributable to a "*fault of organisation*", to be understood as a failure on the part of the entity to adopt appropriate organisational measures to prevent the commission of the predicate offences by the persons identified in the Decree.

² The interest (to be assessed ex ante) consists "*in the finality prospect, on the part of the offender-physical person, of bringing an interest to the entity through the commission of the crime, it being of no importance whether or not that interest was then concretely achieved*". (Criminal Cassation, Section IV, Ruling no. 38363/2018).

³ The advantage (to be assessed ex post) corresponds to "*the actual enjoyment by the entity of a concrete advantage due to the commission of the crime*". (Criminal Cassation, Section IV, Ruling no. 38363/2018).

1.2 THE OFFENCES UNDER THE DECREE

The offences from the commission of which the administrative liability of the entity may derive are those expressly referred to in Legislative Decree 231/2001 as amended.

Please refer to **Annex 1** of this document for details of the individual offences currently included in the scope of application of Legislative Decree 231/2001.

1.3 SANCTIONS APPLICABLE TO THE ENTITY

The jurisdiction to hear administrative offences against the entity belongs to the criminal court, which exercises it under the guarantees of criminal proceedings.

The finding of administrative liability of the entity by the criminal court may lead to the application of the administrative sanctions set out in art. 9 of the Decree such as:

- financial sanctions;
- disqualification sanctions;
- confiscation;
- publication of the ruling.

❖ Financial sanctions

The fine is always applicable and is determined through a “quota system”: the criminal court may apply a number of quotas of not less than 100 (one hundred) and not more than 1000 (one thousand) and the value of each quota may vary between a minimum amount (EUR 258) and a maximum amount (EUR 1,549). This amount is set "on the basis of the economic and asset conditions of the entity in order to ensure the effectiveness of the sanction" (articles 10 and 11, paragraph 2 of Legislative Decree no. 231/2001).

The judge determines the number of quotas by taking into account objective criteria according to the severity of the offence, the degree of the entity's liability and the activity carried out to eliminate or mitigate the consequences of the offence and to prevent the commission of further offences, as well as subjective criteria linked to the entity's economic and asset conditions, which affect the determination of the pecuniary value of the share, in order to ensure the effectiveness of the sanction.

Article 12 of the Decree provides for a number of cases in which the sanction is reduced. They are schematically summarised in the following table, with the indication of the reduction made and the prerequisites for its application.

Reduction	Prerequisites
$\frac{1}{2}$ (and cannot in any case exceed EUR 103.291,38)	<ul style="list-style-type: none"> The offender has committed the offence in his own interest or in the interest of third parties and the entity did not gain an advantage or it gained a minimal advantage; <u>or</u> <ul style="list-style-type: none"> the pecuniary damage caused is of particular tenuousness.
$\frac{1}{3}$ to $\frac{1}{2}$	<u>[Before the declaration of the opening of the first instance hearing]</u> <ul style="list-style-type: none"> The Entity has fully compensated for the damage and has eliminated the harmful or dangerous consequences of the offence or has in any case taken effective action in this sense; <u>or</u> <ul style="list-style-type: none"> an organisational model suitable for preventing the commission of offences of the kind that have occurred has been implemented and made operational.
from $\frac{1}{2}$ to $\frac{2}{3}$	<u>[Before the declaration of the opening of the first instance hearing]</u> <ul style="list-style-type: none"> The Entity has fully compensated for the damage and has eliminated the harmful or dangerous consequences of the offence or has in any case taken effective action in this sense; <u>and</u> <ul style="list-style-type: none"> an organisational model suitable for preventing the commission of offences of the kind that have occurred has been implemented and made operational.

❖ Disqualification sanctions

The disqualifying sanctions, applicable only in relation to the crimes for which they are expressly provided for and under the conditions set out in article 13 of the Decree, may

entail important restrictions on the exercise of the entity's business activities, and consist of:

- disqualification from exercising the company's activities;
- suspension or revocation of those permits, licenses or concessions which were/are functional to the commission of the crime;
- prohibition of contracting with the Public Administration, except for the provision of a public service;
- exclusion from facilitations, loans, grants and subsidies and/or the withdrawal of any already granted;
- prohibition against advertising goods or services.

Such sanctions may be requested by the public prosecutor and applied to the entity by the judge as a precautionary measure when:

- there are serious indications that the entity is liable for an administrative crime;
- well-founded and specific elements arise that suggest the existence of a concrete danger that offences of the same nature as the one in question may be committed.

Disqualification sanctions have a duration of no less than three months and no more than two years, except for certain cases expressly set forth in the Decree (art. 25, paragraph 5, which provides that - in the event that the entity is convicted of a bribery crime - a disqualification sanction of no less than four years and no more than seven years must be applied).

The Decree also provides that where the conditions exist for the application of a disqualification penalty which results in the interruption of the entity's activity, the judge – in lieu of the application of such penalty – may order the continuation of the activity by a commissioner for a period equal to the duration of the disqualification sanction that would have been applied, when at least one of the following conditions is met:

- the entity provides a public service or a service necessary to the public, the interruption of which could provoke serious harm to the general public;
- the interruption of the entity's activity may, in view of its size and the economic conditions of the territory in which it is located, have significant repercussions on employment.

Article 17 of the Decree provides that, without prejudice to the application of pecuniary sanctions, disqualification sanctions shall not be applied when the entity, prior to the declaration of the opening of the first instance hearing, has put in place the following conditions (cumulative to each other):

- a) has fully compensated for the damage and eliminated the harmful or dangerous consequences of the offence or has otherwise effectively done so;
- b) has eliminated the organisational deficiencies that led to the offence by adopting and implementing organisational models capable of preventing crimes of the kind committed;
- c) has made available the profit obtained for the purpose of confiscation.

❖ Confiscation of the price or profit of the crime

Confiscation consists in the coercive acquisition by the State of the price or profit obtained from the crime, except for the part that can be returned to the injured party and without prejudice to the rights acquired by third parties in good faith. When confiscation in kind is not possible, it may be applied to sums of money, goods or other utilities with a value equivalent to the price or profit obtained from the crime.

❖ Publication of the conviction ruling

The publication of the conviction ruling takes place pursuant to article 36 of the Italian Criminal Code and consists of the publication of the conviction once only, in extract or in full, by the judge's clerk office and at the expense of the entity, on the website of the Ministry of Justice, as well as posting in the municipality where the entity has its head office.

Publication of the conviction may be ordered when a disqualification sanction is imposed on the entity.

Finally, pursuant to art. 26 of the Decree, in the event that the crime is committed in the form of an attempt:

- the financial and disqualification sanctions are reduced by one-third to one half;
- the entity is not liable for the crime when it voluntarily prevents the performance of the action or the execution of the event.

The entity participates in criminal proceedings with its legal representative, unless the latter is under investigation or accused of the crime on which the administrative offence depends. In the event that the legal representative of the entity is under investigation or charged with the predicate offence, he/she will not be able to appoint a lawyer for the entity due to the incompatibility condition in which he/she is found, by virtue of the general and absolute prohibition of representation laid down in art. 39 of Legislative Decree 231/2001.

In such cases, the appointment of the entity's lawyer must be made by a person delegated for this purpose in order to provide the entity with a lawyer capable of protecting its interests.

Where the legal representative under investigation or accused of the predicate offence has appointed a defence counsel for the entity, such appointment is to be deemed ineffective and any claim must be qualified as inadmissible.

1.4 ADOPTION OF THE MODEL AS EXEMPTION FROM LIABILITY

Art. 6 of Legislative Decree 231/2001 establishes that the entity, in the case of crimes committed by a senior manager, shall not be held administratively liable if he/she proves that

- a) the Management Body has adopted and effectively implemented, prior to the commission of the crime, an organisational, management and control model capable of preventing crimes of the kind committed (hereinafter also the "**Model**" or "**Model 231**");
- b) the task of supervising the operation of and compliance with the Model as well as proposing its updating has been entrusted to a Body of the entity endowed with autonomous powers of initiative and control (so-called "**Supervisory Body**", hereinafter also "**Body**" or "**SB**");
- c) the persons have committed the crime by fraudulently circumventing the aforementioned Model;
- d) there has been no omission or insufficient supervision by the Supervisory Body.

If the crime has been committed by persons subject to the management or supervision of senior staff, the entity shall be held liable for the crime only in the event of a culpable failure in its management and supervision obligations. In any case, non-compliance with management and supervisory obligations is excluded if the entity, before the crime was committed, had adopted and effectively implemented an organisational, management and control model capable of preventing offences of the kind committed.

Therefore, the adoption of the Model prior to the commission of the crime allows the entity to be exempt from administrative liability.

With regard to the effectiveness of the Model in preventing the commission of the crimes set forth in Legislative Decree 231/2001, on the basis of the indications provided in the Decree itself, it is considered that it can meet this requirement where the Model:

- identifies the activities within the scope of which there is a possibility of predicate offences being committed;

- establishes specific protocols to plan provides for specific “protocols” aimed at planning the establishment and implementation of the entity's decisions in relation to the crimes to be prevented;
- identifies ways of managing financial resources in order to prevent the commission of said crimes;
- provides for information obligations vis-à-vis the Supervisory Body;
- it introduces an internal disciplinary system capable of penalising non-compliance with the provisions set out in the Model and in the documentation that forms an integral part of it (e.g. Code of Ethics).

However, the mere adoption of the Model is not in itself sufficient to exclude said liability, since it is necessary that the Model is effectively and efficiently implemented and that the conditions set out in art. 6, paragraph 1 of Legislative Decree 231/2001 are met.

With reference to the Model's suitability to prevent the commission of the predicate offences set forth in Legislative Decree 231/2001, on the basis of the guidelines provided by case law, it is considered to be suitable if the Model:

- i. has been adopted on the basis of a specific and exhaustive mapping of the risks of crimes and not merely descriptive or repetitive of the legal requirements;
- ii. requires the members of the Supervisory Body to possess specific skills in the area of consultancy activities;
- iii. provides for a non-revocable conviction (or plea bargaining) as a cause of ineligibility as a member of the Supervisory Body;
- iv. provides for a differentiation between training for employees in general, for employees working in specific risk areas and for internal control officers;
- v. provides for the content of the training courses, their frequency, mandatory participation in the courses, attendance and quality controls on the content of the programmes;
- vi. expressly provides for the imposition of disciplinary sanctions;
- vii. provides for systematic procedures to search for and identify risks when special circumstances exist;
- viii. provides for routine and surprise controls – in any case, periodic – in respect of sensitive corporate activities;
- ix. provides for and regulates an obligation for employees, directors and managers of the company to report to the Supervisory Body relevant news concerning the life of the entity, violations of the Model or the commission of

- crimes. In particular, it must provide concrete indications on how those who become aware of unlawful conduct can report it to the Supervisory Body;
- x. contains specific and concrete protocols and procedures.

1.5 THE CONFINDUSTRIA “GUIDELINES” AND OTHER GUIDING PRINCIPLES

Article 6, paragraph 3, of the Decree provides that the Models may be adopted – guaranteeing the requirements set out in the preceding paragraph – on the basis of codes of conduct drawn up by the associations representing the entities and communicated to the Ministry of Justice.

In light of the above, all major trade associations have approved and published their own codes of conduct. In particular, it seems appropriate to recall that Confindustria in June 2021 published the latest updated version of its *"Guidelines for the construction of organisation, management and control models"* (hereinafter “Guidelines”).

The Company, believing that the aforementioned Guidelines contain a number of indications and measures suitable for responding to the requirements outlined by the legislator, has also drawn inspiration from the principles contained therein for the construction of this Model (to which reference is made in full).

In drafting this Model, account was also taken of the document approved at the meeting of 18 December 2018 by the National Council of Certified Public Accountants and Accounting Experts and jointly drafted by ABI, the National Council of the Italian Bar Association and Confindustria on *"Consolidated principles for the drafting of organisational models and the activities of the Supervisory Body in addition to the prospects for the revision of Legislative Decree no. No. 231, of 8 June 2001, (February 2019 version)*.

Finally, it is acknowledged that, in preparing this Model 231, account was also taken of the most significant case law developed on the matters covered by Legislative Decree 231/2001 and of the administrative liability of entities.⁴

⁴ On the qualification of the administrative liability of entities for crimes, see Court of Cassation - Joint Sections, Ruling no. 38343/2014; Criminal Court of Cassation - Section II, Ruling no. 29512/2015; Criminal Court of Cassation - Section III, no. 18842/2019. On the definition of organisational fault, see Court of Cassation - Joint Sections, Ruling no. 38343/2014; Criminal Court of Cassation - Section VI, Ruling no. 54640/2018, Criminal Court of Cassation, Section IV, Ruling no. 29538/2019. On the effectiveness of the Organisational Model, see Court of Milan - GIP Office, 17.11.2009; Court of Appeal Milan, Section II, 21.03.2012; Criminal Court of Cassation - Section V, Ruling no. 4677/2013; Court of Cassation of Brescia, ruling no. 1969/2014; Criminal Court of Cassation - Section V, Ruling no. 4677/2014; Prosecutor's Office of Como, Archiving

SECTION TWO

2. THE ORGANISATION, MANAGEMENT AND CONTROL MODEL BY PALL ITALIA S.R.L.

2.1 DESCRIPTION OF THE COMPANY

Pall Italia S.r.l. (hereinafter also “**PALL**” o “**Company**”) specializes in the design and/or commercialization of filtration systems; the marketing, design support and construction of filters and separation systems; the development and delivery of analytical and performance qualification tests for filters and separation systems; the commercialization and provision of calibration and repair services for measuring instruments; and post-sales support, including commissioning, maintenance and repair of marketed plants and systems.

Decree, 29.01.2020. On the suitability of the model, see: Criminal Court of Cassation - Section IV, Ruling no. 23401/2022. On the notion of interest or advantage, see Criminal Court of Cassation - Section V, Ruling no. 40380/2012; Criminal Court of Cassation - Section II, Ruling no. 3615/2005. On the subject of publicity of the penalty system, see Criminal Court of Cassation - Ruling no. 18130/2005. On the subject of rising liability in corporate groups, see Criminal Court of Cassation - Section V, Ruling no. 24583/2011; Criminal Court of Cassation - Section V, Ruling no. 4324/2013; Criminal Court of Cassation - Sect. VI, Ruling no. 2658/2014; Criminal Court of Cassation - Section II, Ruling no. 52316/2016. On the parameter against which the adequacy of the model should be assessed, see: Criminal Court of Cassation - Section IV, Ruling no. 23401/2022. With reference to predicate offences, see, among others: embezzlement to the detriment of the State, Criminal Court of Cassation - Section VI, Ruling 28416/2022; bribery in judicial proceedings Criminal Court of Cassation - Joint Sections, Ruling no. 15208/2010; trafficking in unlawful influences Criminal Court of Cassation - Section V, Ruling no. 30564/2022; unauthorised duplication of software Criminal Court of Cassation - Section III, Ruling no. 30047/2018; abusive access to computer system Criminal Court of Cassation - Section V, Ruling no. 25944/2020; unlawful competition with threats or violence Criminal Court of Cassation - Joint Sections, Ruling no. 13178/2020; on health and safety Criminal Court of Cassation - Joint Sections, Ruling no.38343/2014; Criminal Court of Cassation - Section IV, Ruling no. no. 8591/2016; Criminal Court of Cassation - Section IV, Ruling no. no. 8883/2016; Criminal Court of Cassation - Section IV, Ruling no. no. 16713/2018; Criminal Court of Cassation - Section IV, Ruling no. 9167/2018; Court of Appeal of Florence, section III, Ruling no. 3733/2019; concealment and destruction of accounting records Criminal Court of Cassation - no. 8350, 8351 and 8355 of 2020; illegal hiring Court of Milan, Decree no. 9/2020; self-money laundering Criminal Court of Cassation - Section II, Ruling no. no. 25979/2018, Criminal Court of Cassation Section II, Ruling no. no. 30399/2018 and Criminal Court of Cassation - Section V, Ruling no. no. 5719/2019; fraud in the exercise of trade Criminal Court of Cassation - Section III ,Ruling no. no. 4885/2019. With reference to the procedures for appointing the Entity's lawyer in the event that the legal representative is under investigation for an alleged crime under Leg. Decree 231/2001, see Criminal Court of Cassation - Section III, Ruling no. no. 35387/2022, Criminal Court of Cassation - Section III, Ruling no. no. 34397/2022 and Criminal Court of Cassation - Court of Cassation, Section III, Ruling no. 32110/2023.

The Company has achieved UNI EN ISO 9001:2015 certification, symbolizing its commitment to improving production standards and customer satisfaction. It has implemented a Quality and Safety Manual that meets all the requirements of UNI EN ISO 9001:2015 standards. This Manual applies to all processes influencing product quality and all aspects of the company's activities that impact health and workplace safety. Additionally, the Company is part of the Danaher Group and operates under the management and coordination of Danaher Corporation USA.

2.2 PURPOSE OF THE MODEL

The Company has approved this Organisation, Management and Control Model (hereinafter also referred to as the "**Model**") by a resolution of the Board of Directors (see the title page of this General Section).

The Company is sensitive to the requirement of ensuring conditions of integrity and transparency in running its business and the company activities, to protect its reputation, image and the work of its employees, and it is also aware of the importance of establishing an Organisation, Management and Control Model suitable for preventing the commission of unlawful conduct by its directors, employees and all those who carry out their activities in the name of and on behalf of the Company.

The Company therefore considers that the adoption of the Model, together with the Code of Ethics, may constitute a valid tool for further raising awareness among the Recipients. In particular, through the adoption of the Model, the Company intends to pursue the following objectives:

- arise, in the recipients of the Model, as defined in paragraph 2.3 below - *the Recipients*, the awareness that they may incur, in the event of violation of the provisions set out therein, in the commission of unlawful acts liable to disciplinary sanctions pursuant to this Model, to criminal sanctions applicable against them by the competent judge, as well as to the possibility of causing the application of administrative sanctions dependent on the crimes committed against the Company;
- prohibit behaviours that may constitute the types of offence pursuant to Legislative Decree 231/2001, while setting up a prevention and control system aimed at reducing the risk of commission of crimes related to the company's activities;
- reiterate that such forms of unlawful conduct are strongly condemned by the Company, since they are in any case (even if the Company were apparently in a position to benefit from them) contrary not only to the provisions of the law, but also

to the ethical principles to which the Company intends to adhere in the performance of its business activities;

- enable the Company, thanks to a monitoring action on the areas of activity at risk on the basis of a structured and organic system of procedures and control activities, to intervene promptly in order to prevent or counteract the commission of crimes.

In order to prepare an effective and suitable Model to prevent the offences covered in Legislative Decree 231/2001, the Company carried out an in-depth analysis of its corporate structure, both by means of a documentary check and by means of targeted interviews with company representatives informed of the organisation and activities carried out by the Company itself.

2.3 RECIPIENTS

The provisions of this Model are binding for the Board of Directors and for all those who, within the Company, hold functions of representation, administration or management; for all those who are bound to the Company by an employment agreement; for those who cooperate and collaborate with the Company - in various capacities - in the pursuit of its objectives; and for anyone who has business relations with it by virtue of an appointment/assignment/contract and who performs professional services connected to the Company's activity in the name and on behalf of the Company itself (e. g. external consultants, commercial agents, etc.) (all the subjects listed above also referred to as **"Recipients"**).

All Recipients are required to comply punctually with all its provisions, also in fulfilment of the duties of loyalty, fairness and diligence arising from the legal relations established with the Company.

2.4 FUNDAMENTAL ELEMENTS OF THE MODEL

With reference to the requirements identified in Legislative Decree 231/2001 and in compliance with leading case law for the implementation of this Model, the adopted methodological approach included the following phases:

- examination and analysis of the Company's organisational structure through the acquisition of Company's documentation (e.g., organisational chart, Company's chamber of commerce certificate, job descriptions, Risk Assessment Document

according to Legislative Decree 81/2008, company procedures/internal operational instructions, Group policies, etc.).

- examination and analysis of the activities carried out by the Company through the distribution of questionnaires and the scheduling and conducting of specific interviews with the various Heads of Function;
- examination and analysis of the circumstances that led to the alleged commission of the offence;
- draft of the "*Matrix of the risk of committing predicate offences 231*", indicating the contacts/areas that could potentially commit any of the crimes referred to by Legislative Decree 231/2001, an indication of the type of crimes as provided for in the legislation, an indication of examples of possible ways in which crimes may be committed, an indication of the processes that may potentially be associated with the commission of the crimes referred to in Legislative Decree 231/2001 and indication of the Protocols of the Special Part aimed at preventing the commission of the offence;
- identification of the ethical principles and rules of conduct aimed (inter alia) at preventing a conduct that may constitute the types of offences provided for in Legislative Decree 231/2001, as stated in the Code of Ethics;
- provision of specific preventive protocols aimed at avoiding the commission of the crimes stated in Legislative Decree. 231/2001;
- appointment of a Supervisory Body (hereinafter also referred to as "**Body**" or "**SB**") and attribution of specific supervisory duties over the effective implementation and application of the Model;
- introduction of communication channels to ensure regular communication flows to the Supervisory Body;
- approval of an appropriate disciplinary system able to sanction those responsible for non-compliance with the Model;
- planning of information, training and dissemination activities for the Recipients of this Model;
- identification of the modalities for the adoption and effective application of the Model, as well as for any necessary amendments or additions thereto (Model update).

2.5 CODE OF ETHICS AND MODEL 231

The Company intends to act according to ethics principles and rules of conduct meant to ensure that business operations, the pursuit of the corporate purpose and company growth are drawing inspiration from compliance with the laws and regulations in force.

To this end, the Company has adopted its own Code of Ethics, which sets out principles to which it conforms and which it expects the strictest compliance with by all Recipients and all those who, in any capacity, in Italy or abroad, cooperate and collaborate with it in the pursuit of its corporate purpose.

The Code of Ethics has a general scope and represents a set of rules aimed at spreading solid ethical integrity and a strong awareness of compliance with current regulations.

The Code of Ethics, therefore, not only serves to disseminate a culture within the Company that is sensitive to legality and ethics, but also to protect the interests of employees and those who have relations with the Company, preserving it from serious liability, sanctions and reputational damage.

The Model, on the other hand, meets the specific requirements laid out in Legislative Decree 231/2001, expressly intended to prevent the commission of the types of offences set forth in the decree itself (for acts which, apparently committed in the interest or for the benefit of the Company, may give rise to the Company's administrative liability resulting from an crime).

Considering the fact that the Code of Ethics refers to principles of conduct (including legality, fairness and transparency) suitable for preventing the unlawful conduct pursuant to Legislative Decree 231/2001, it constitutes an integral part of this Model.

In addition to the principles laid down in the Code of Ethics, the Company is also committed to the principles contained in the *Danaher Code of Conduct* where compatible with applicable regulations and the ethical and behavioral principles set forth below.

2.6 THE STRUCTURE OF THE ORGANISATIONAL AND CONTROL SYSTEM

The Company's organisational and control system is based on the Preventive Protocols, on the Information Flows to the Supervisory Body described in **Annex 3** to the Special Part of the Model, and on the following elements:

- the legal and regulatory framework applicable to the Company, including that specific to the sector in which it operates and to which it strictly adheres;

- the Code of Ethics, which sets out the principles and rules of conduct by which the Company is inspired and which must be observed by all those who work in the Company and by all those who, for various reasons, have relations with it;
- the internal Company's procedures, internal operational instructions and Group's Policies, insofar as they are locally applicable and compatible with the controls provided for in the Special Part of this Model and with the legislation in force, as well as the procedures outlined in the Quality and Safety Manual adopted by the Company following the attainment of UNI EN ISO 9001:2015 certification.

The current organisational and control system of the Company, understood as an apparatus to manage and monitor the main corporate risks, ensures the achievement of the following objectives:

- effectiveness and efficiency in using company resources, in protecting the company from losses and in safeguarding the Company's assets;
- respect for applicable laws and regulations in all of the Company's operations and actions;
- reliability of information, to be understood as prompt and accurate communications guaranteeing the proper performance of every decision-making process.

Responsibility for the proper functioning of the system of internal controls rests with each corporate contact person or with those who perform certain activities on behalf of the Company for all processes for which they are responsible.

2.7 IDENTIFYING AT RISK ACTIVITIES AND DEFINING PROTOCOLS

Legislative Decree 231/2001 expressly requires, in art. 6, paragraph 2, letter a) that the Model of the entity identify the company's activities within which the crimes included in said Decree may potentially be committed.

The Company, therefore, has conducted an analysis of the corporate activities and of the relevant organisational structures, with the specific aim of identifying the risk areas in which the crimes laid down in Legislative Decree 231/2001 may be committed, the possible ways in which they may be perpetrated, and the processes in the performance of which, again in principle, the conditions could be created and/or the tools could be provided for the commission of said crimes.

- Identification of processes and risk areas.

The identification of sensitive processes and areas at risk of commission of the crimes provided for in Legislative Decree 231/2001 was carried out through the analysis of company documentation and interviews with various company representatives.

The results of the activities described above, previously shared with the contact persons being interviewed, were collected within the so-called **Crime-Risk Matrix 231**, detailing the potential risk of commission of the crimes referred to in Legislative Decree 231/2001.

The 231 Crime-Risk Matrix forms an integral part of this Model and is kept at the Company's registered office.

- Definition of Protocols.

With a view to preventing the risk of commission of the predicate offences applicable to the Company, specific "**Preventive Protocols**" have been drawn up within the Special Part of this Model 231.

In particular, these are the following Preventive Protocols:

1. Administration, accounting, financial reporting, tax and fiscal compliance,
2. Management of purchasing of goods and services
3. Relations with the Public Administration, Judicial Authorities and private parties,
4. Management of occupational health and safety obligations pursuant to Legislative Decree 81/2008 and fulfilment of environmental obligations,
5. Human Resources Management,
6. Management of IT systems,
7. Design and commercialization of filtration systems and provision of related services.

2.8 GENERAL CONTROL PROTOCOLS

The Company manages the sensitive processes and areas of activity at risk identified above, in accordance with principles that appear consistent with the indications provided by the Legislative Decree 231/2001, ensuring its correct and concrete application.

In addition to the Preventive Protocols set out in the Special Part of this Model 231, the principles that must govern risk activities and sensitive processes and that the Company undertakes to observe are as follows:

- existence of general rules of conduct to protect the activities carried out;

- existence and adequacy of procedures for regulating the conduct of activities in compliance with the principles of:
 - traceability of acts;
 - traceability of the decision-making process;
 - provision of adequate control measures;
- provision of authorisation levels to ensure adequate control of the decision-making process;
- existence of specific control and monitoring activities;
- segregation of duties and functions.

SECTION THREE

3. SUPERVISORY BODY

3.1 INTRODUCTION

Art. 6, paragraph 1 of Legislative Decree 231/2001 provides that the function of supervising the operation of and compliance with the Model and ensuring that it is kept up to date, is entrusted to a Supervisory Body of the entity which, endowed with autonomous powers of initiative and control, exercises the tasks assigned to it on an ongoing basis.

In this regard, the Confindustria Guidelines specify that, although Legislative Decree 231/2001 allows to opt for either a monocratic or multi-subjective composition, the choice between one or the other solution must take into account the purpose pursued by the law and, therefore, ensure the effectiveness of controls in relation to the size and organisational complexity of the entity.

Due to its current organisational structure, the Company has decided to set up a collegial body, consisting of 3 (three) members (the Members), one of whom holds the position of Chairman (the President), appointed by the Board of Directors, with specific professional expertise in the field of consultancy activities.

The Supervisory Body has been appointed in such a way as to guarantee the following requirements:

- Autonomy and independence: this requirement is guaranteed by the absence of any hierarchical reporting within the organisation and the ability of reporting to the top management;
- Professionalism: this requirement is met by the professional, technical and practical knowledge of the Supervisory Body;
- Continuity of action: with reference to this requirement, the Supervisory Body is required to constantly supervise, through its investigatory powers, compliance with the Model, and handle its implementation and updating, representing a constant point of reference for all Company personnel.

3.2 TERM OF OFFICE, GROUNDS FOR INELIGIBILITY, DISQUALIFICATION, REVOCATION AND RESIGNATION

The Supervisory Body remains in office for a term of three (3) years, with the possibility of reappointment.

- ***Causes of ineligibility and/or disqualification***

The following constitute grounds for ineligibility and/or disqualification of members of the Supervisory Body:

- a) debarment, incapacitation, bankruptcy or, in any case, a criminal conviction, even if not final, for one of the crimes set out in the Decree or, in any case, a penalty entailing disqualification, even temporary, from public offices or the inability to exercise executive offices;
- b) the existence of relationships of kinship, marriage or affinity up to the fourth degree with members of the Board of Directors or the Sole Statutory Auditor of the Company, or with external auditors;
- c) the ruling with conviction of the Company, even if it has not become irrevocable, or the judgement of application of the penalty on request pursuant to the combined provisions of art. 63 of Legislative Decree 231/2001 and articles 444 et seq. of the Italian Code of Criminal Procedure. (so called “plea bargain”) with respect to which the court records indicate the failure to supervise or insufficient supervision by the Supervisory Body;
- d) existence of ongoing equity relationships between the member and the Company such as to compromise the member's independence;
- e) confirmation of a serious breach by a member of the Supervisory Body in performing its assessment and control duties;

Should a cause for disqualification arise during the term of office, the member of the Supervisory Body shall immediately inform the Board of Directors.

- ***Causes of revocation***

The powers of the members of the Supervisory Body may only be revoked for just cause and subject to a resolution issued by the Company's Board of Directors.

The following are considered just cause of revocation:

- failure to notify the Board of Directors of a conflict of interests which prevents the maintenance of the role as a member of the Body itself;

- violation of the obligations of privacy with respect to the news and information acquired in exercising the functions of the Supervisory Body.

If the revocation occurs without just cause, the revoked member may apply for immediate reinstatement in office.

- ***Waiving the assignment***

Each member may resign from office at any time by giving at least 30 days' notice in writing, to be communicated to the BoD by certified email, which shall take effect on the 14th day following the day on which it was brought to the knowledge of the BoD by written notice.

In the event of resignation, the members of the Supervisory Body shall remain in office beyond the term set forth in the resolution appointing them until the Board of Directors has specifically resolved to appoint the Supervisory Body in its new composition.

In the event of incompatibility, supervening inability, death, revocation or disqualification of a member, if not communicated in the manner and time frame indicated, the Chairman of the Supervisory Body shall immediately notify the Board of Directors in writing, which shall promptly take the consequent decisions.

In the event of incompatibility, supervening incapacity, death, revocation or debarment of the Chairman, if not communicated by him/her in the manner and within the time frame indicated, the obligation to communicate lies with the most senior member. In this case, the latter will take over from the Chairman, remaining in office until the date on which the Board of Directors appoints a new President.

Until the appointment of the new member by the Board of Directors, the Supervisory Body may still meet and deliberate, and the Chairman's vote shall have double value in the event of a tie.

3.3 POWERS AND FUNCTIONS OF THE SUPERVISORY BODY

The Supervisory Body shall autonomously govern the rules for its operation through specific Regulations, specifically defining the operating methods for carrying out the functions assigned to it.

The Supervisory Body is assigned the following duties:

- supervise the operation of and compliance with the Model;
- ensure the updating of the Model.

These tasks are carried out by the Body through the following activities:

- supervision of the dissemination of the Model, of training activities and of its observance by the Recipients;
- supervising the adequacy of the Model, with specific regard to the conduct identified within the Company;
- proposals for updating the Model in the event that it becomes necessary and/or appropriate to make changes and/or adjustments to it, in relation to changed legislative and/or company conditions;
- reporting on an ongoing basis to the Board of Directors on the activities carried out;
- periodic communications to the Sole Statutory Auditor on the results of the reciprocal supervisory activities, or for any violations by senior management or the Board of Directors.

In carrying out such activities, the Body will fulfil the following obligations:

- verify the scheduling and performance by the Company of periodic training activities pursuant to Legislative Decree 231/2001 aimed at fostering awareness of the Company's Model and the legal foundations of the administrative liability of entities pursuant to Legislative Decree 231/2001, differentiated according to the role and responsibility of the Recipients;
- set up specific "dedicated" information channels (dedicated e-mail address), aimed at facilitating the flow of information to the Body;
- collect and store any information relevant to the verification of compliance with the Model;
- periodically check and monitor the risk areas/processes identified in the Model.

In order to provide the Supervisory Body with the best possible knowledge of the implementation of the Model, it is essential that the Supervisory Body works in close cooperation with the individual contact persons of the company.

In order to fulfil the obligations listed above, the Body has the powers specified below:

- have a Regulation and receive **information flows** from the Recipients of the Model;
- freely access, without prior authorisation, any company document relevant to the performance of the functions assigned, as well as view any company document and consult data relating thereto;
- require contact persons, and in any case all Recipients, to promptly provide the information, data and/or news requested of them to identify aspects connected to the various company activities which are relevant pursuant to the Model and to verify its effective implementation;

- engage external consultants of proven expertise in cases where this is necessary for the performance of its activities.

The Supervisory Body is granted by the Board of Directors an adequate expense budget for the performance of its functions to be used to support the technical assessment activities necessary for the performance of the tasks entrusted to it. The Supervisory Body may exceed the limits on the use of the expenditure budget allocated to it only in the event of critical situations requiring an immediate action, in accordance with the provisions of its own Regulations.

3.4 REPORTING TO AND FROM THE SUPERVISORY BODY

The Supervisory Body meets at least quarterly, without prejudice to any greater frequency that the Board of Directors may deem appropriate.

As noted above, to guarantee full autonomy and independence in performing its functions, the Supervisory Body reports directly to the Board of Directors regarding the performance of its activities.

In detail, the Supervisory Body reports to the Board of Directors on the status of the implementation of the Model, the results of the supervisory activities carried out and any appropriate measures for the implementation of the Model:

- periodically to the Board of Directors to ensure constant alignment on the activities carried out, including by making available the minutes of the activities carried out;
- every six months to the Board of Directors (and in copy the Sole Statutory Auditor), by means of a written report describing the activities carried out, any critical issues that have emerged and any need to implement the Model;
- promptly to the Board of Directors, in cases of violations committed by the Recipients of the Model;
- periodically to the Sole Statutory Auditor, at the latter's request with regard to the activities carried out and autonomously with regard to any shortcomings found in the assessment of the concrete implementation of the Model (for instance, in the context of checks on processes sensitive to tax risks, risks of corrupt conduct, the commission of corporate, occupational health and safety and environmental offences, etc.);
- immediately to the Sole Statutory Auditor and the Shareholders' Meeting, in cases of alleged violations by top management or members of the Board of Directors,

being entitled to receive requests for information or clarifications from the Sole Statutory Auditor or the Shareholders' Meeting.

For its part, the Supervisory Body receives:

- from the Sole Statutory Auditor event-driven flows if he/she detects shortcomings and violations that are relevant in terms of the Model 231, as well as any facts or anomalies detected that fall within the scope of the processes assessed as sensitive for the commission of the predicate offences;
- from the Whistleblowing Manager six-monthly flows on all reports (including those not of “231” significance or assessed as “non-whistleblowing”), in order to verify the functioning of the system. In any case, the requirement of confidentiality of the identity of the persons involved in the report (e.g. whistleblower, reported person and other persons mentioned in the report) must be respected.

The Supervisory Body may be convened at any time and, may - in turn - request the Board of Directors to be convened whenever it deems it appropriate in matters concerning the functioning and effective implementation of the Model or in relation to specific situations.

Where necessary, the Supervisory Body makes direct contact with the competent corporate functions in order to:

- request information or clarification;
- solicit the transmission of documents;
- report critical issues in the implementation of the Model.

3.5 INFORMATION FLOWS AND REPORTING TO THE SUPERVISORY BODY

Legislative Decree 231/2001 provides for the establishment of reporting obligations vis-à-vis the Supervisory Body.

➤ **Information flows**

These flows concern all the information, events and documents that must be brought to the attention of the Supervisory Body, in accordance with the provisions of the adopted Model. Therefore, precise reporting obligations have been imposed on the corporate bodies (Board of Directors and Sole Statutory Auditor) and the company contact persons:

- on a periodical basis, information, data, news and documents constituting derogations and/or exceptions to the provisions of the Model, in accordance with the timetable defined in Annex 3 "*Information flows to the Supervisory Body*" of the Special Part and by means of the communication channels indicated below. It

should be noted that the Supervisory Body may request further information and/or flows that it deems useful and/or necessary for the performance of its activities;

- at the request of the Supervisory Body within the scope of its assessment activities, any information, data, news and documents deemed useful and/or necessary for the performance of such assessments;
- event-based, by all the Recipients of the Model if deficiencies and/or anomalies, relevant under the Model, as well as any other fact or irregularity falling within the scope of the processes deemed as sensitive for the commission of the predicate offences, are identified;
- by event, if the Sole Statutory Auditor identifies deficiencies and/or anomalies, relevant under the Model, as well as any other fact or irregularity falling within the scope of the processes deemed as sensitive for the commission of the predicate offences.

The Supervisory Body must mandatorily and promptly receive – by way of example but not limited to – all information concerning:

- measures and/or news from judicial police bodies, tax or any other authority, including administrative, involving the Company or top management, indicating the performance of investigations, including with respect to unknown persons, for the offences pursuant to Legislative Decree, without prejudice to the obligations of privacy and secrecy imposed by law;
- accesses/on-site visits/inspections by representatives of the Public Administration regardless of the fact that as a result of them irregularities are found or a sanction is raised against the Legal Representative (e.g. ASL, INPS, Financial Police, Revenue Agency, etc.);
- requests for legal assistance made by senior management and/or employees in the event of legal proceedings being initiated, in particular for offences covered by the Decree;
- results of control activities carried out by individual company representatives from which facts, acts, events or omissions involving critical issues have emerged with respect to compliance with the provisions of the Decree or the Model;
- changes in the governance system, amendments to the articles of association or changes to the company's organisational chart;
- information on the actual implementation, at all levels of the company, of the Model, with evidence of the disciplinary proceedings carried out and any sanctions imposed, or of the orders to dismiss such proceedings with the relevant reasons;

- reporting serious accidents (fatal accidents or accidents with a prognosis of more than 40 days) occurring to employees and/or collaborators present in the Company's workplaces.

All the information and documentation gathered in the performance of institutional tasks must be filed and kept by the Supervisory Body, taking care to keep the documents and information acquired confidential, also in compliance with privacy legislation.

Failure to send information to the Supervisory Body constitutes a violation of this Model and the consequent application of disciplinary sanctions (as provided for in the Disciplinary System of this Model).

➤ **Reporting**

Pursuant to Italian Legislative Decree 24/2023, may be subject to reporting:

- any unlawful conduct in compliance with Leg. Decree 231/2001, including well-founded suspicions of its commission;
- violations of the Model and/or the Code of Ethics relevant to Legislative Decree 231/2001, including well-founded suspicions of violation thereof.

Such reports must be made in the manner and in compliance with a specific policy in accordance with the provisions of Legislative Decree no. 24/2023 *“Implementation of Directive (EU) 2019/1937 of the European Parliament and of the Council of October 23, 2019 on the protection of persons who report breaches of Union law and on provisions concerning the protection of persons who report breaches of national laws”*.

The *Whistleblowing Reporting Manager* is required to promptly inform the Supervisory Body – in accordance with the procedures set out in the *Whistleblowing Policy* on the transmission of whistleblowing report– any reports of unlawful conduct relevant under Legislative Decree no. 231/2001 or violations of Model 231.

The Supervisory Body shall process the reports falling within its competence and may summon, if it deems it appropriate, the reporting person in order to obtain further information, ensuring the necessary confidentiality of his or her identity at all the various stages of the processing of the report, and shall also carry out all the checks and investigations necessary to ascertain the merits of the report and its relevance under Legislative Decree 231/2001.

Having ascertained the relevance of the report under Legislative Decree 231/2001 and that it is not manifestly unfounded, or where the report is manifestly unfounded and made with wilful misconduct or gross negligence on the part of the reporting party, the Supervisory Body shall proceed in accordance with the provisions of the applicable *policy*.

When dealing with reports of breaches, the Supervisory Body guarantees the utmost confidentiality of the identity of the reporting person, the person the report refers to and any other persons involved. When dealing with reports of breaches, the Supervisory Body guarantees the utmost confidentiality of the identity of the reporting person, the person the report refers to and any other persons involved.

The Supervisory Body monitors compliance with the Model with reference to the prohibition of retaliatory or discriminatory acts, whether direct or indirect, against the reporter, for reasons directly or indirectly linked to the report, as well as the effective functioning of and compliance with the provisions of Legislative Decree 24/2023 and the applicable *policy*.

The Company prohibits discriminatory acts or retaliation⁵ against the whistleblowers who have made a report in good faith.

It should be noted that the Disciplinary System of this Model provides for the application of specific sanctions in the event of violation of the measures for the protection of the reporter and the persons referred to therein, or in the event of reports made with malice or gross negligence that prove to be unfounded.

➤ ***Communication channels***

In order to enable information flows to be sent to the Supervisory Body, the following communication channel has been set up:

OrganismoDiVigilanzaPALL@Danaher.com.

Access to the communications sent through this channel is reserved exclusively to the Supervisory Body.

This is without prejudice to the right of the Supervisory Body to identify any further channels for sending reports. The company also uses the Danaher Group's *Speak Up* channel www.danaherintegrity.com, which is managed by an external provider with a dedicated platform and guarantees the same confidentiality of the reporter's identity. For further details, please refer to the Group *Speak Up* procedure.

⁵ With regard to a conduct considered retaliatory under Legislation Decree 24/2023, please refer to the applicable policy.

SECTION FOUR

4. DISCIPLINARY SYSTEM AND SANCTION MECHANISMS

4.1 GENERAL PRINCIPLES

As expressly provided for by the Decree in art. 6, paragraph 2, letter e), is the existence of a *"disciplinary system capable of sanctioning non-compliance with the measures set forth in the model"*, which - as provided for in paragraph 2 bis - must also comply with the provisions of the *"decree implementing Directive (EU) 2019/1937 of the European Parliament and of the Council of 23 October 2019"* on the protection of whistleblowers.

The definition of such a disciplinary system constitutes, in fact, pursuant to art. 6, paragraph 1, letter e) and art. 7, paragraph 4, letter b) of the Decree, an essential requirement of the Model for the purposes of the exemption under art. 6 of the Decree.

The essentially preventive function of the disciplinary system must be combined with the gradualness of sanctions according to the severity of violations. It is necessary, therefore, that the Model concretely identifies the disciplinary measures to which each person is exposed in the event of non-compliance with the measures set forth in the Model itself, by linking the applicable sanctions to each violation in a context of increasing severity and proportionality.

In general, and by way of example but not limited to, punishable conduct can be traced back to:

- a) culpable failure to implement the measures set out in the Model and the documentation that forms an integral part thereof (e.g. Code of Ethics);
- b) wilful violation of the measures set out in the Model and the documentation that forms an integral part of it (e.g. Code of Ethics), such as to compromise the relationship of trust between the perpetrator and the Company, as the conduct unequivocally served the purpose of committing an offence;
- c) violation of the measures put in place to protect the whistleblower;
In compliance with the provisions of Legislative Decree 24/2023, the protections against retaliatory acts also apply to the persons named therein (as further detailed in the relevant policy)].
- d) commission of retaliatory acts or attempted/confirmed obstruction of reporting, or breach of the obligation of confidentiality;

- e) failure to establish reporting channels;
- f) failure to adopt or non-compliance of the policy pursuant to Leg. Decree 24/2023
- g) failure of the appointed body to verify and analyse the report received;
- h) malicious or grossly negligent making of reports that turn out to be unfounded;
- i) breach of information obligations vis-à-vis the Supervisory Body;
- j) violation of the provisions concerning information, training and dissemination activities vis-à-vis the Recipients of the Model;
- k) failure to apply this disciplinary system.

The penalties that may be imposed are diversified based on the nature of the judicial relationship between the perpetrator of the violation and the Company, as well as the relevance and severity of the violation committed or the role and responsibilities of the perpetrator.

More specifically, the penalties that may be imposed are diversified taking into account the degree of imprudence, lack of skill, negligence, wilful misconduct or intentionality of the conduct relating to the action/omission, also taking account of any recidivism, as well as the work activity carried out by the person concerned and the relevant functional position, the severity of the danger caused, the extent of any damage done to the Company by the possible application of the sanctions provided for by Legislative Decree 231/2001 as amended, the presence of aggravating or mitigating circumstances, any sharing of responsibility with other persons who have contributed to the crime, together with any other particular circumstances that may have characterised the act.

The sanctioning procedure is in any case referred to the competent corporate function and/or the competent corporate bodies, in accordance with the applicable contractual and legislative provisions.

This Disciplinary System must be brought to the attention of all the Recipients of the Model by the means deemed most appropriate by the Company.

The Supervisory Body monitors compliance with this disciplinary system, with the competent corporate functions and/or corporate bodies remaining responsible for the concrete application of the disciplinary sanctions indicated below.

4.2 SANCTIONS AGAINST EMPLOYEES

Conduct by employees in violation of the provisions of the Model, including violation of the obligations to inform the Supervisory Body, and of the documentation that forms an integral part thereof (e.g. the Code of Ethics) are defined as **disciplinary offences**.

The sanctions that may be imposed on the above-mentioned employees are those provided for in art. 7 of Law 300 of 30 May 1970 (**Workers' Statute**) and in the National Collective Labour Agreement for employees of Tertiary Distribution and Services Companies (hereinafter "**applicable CCNL**" - Contratto Collettivo Nazionale di Lavoro).

La Società deve rispettare i limiti di cui all'art. 7 dello **Statuto dei lavoratori** e le previsioni contenute nel **CCNL applicabile**, sia con riguardo alle sanzioni comminabili che alle modalità di esercizio del potere disciplinare.

The following sanctions may be imposed on employees on the basis of the applicable CCNL:

1. verbally reprimand for the most minor offences;
2. written reprimand in cases of recidivism involving the violations mentioned in the previous point;
3. penalty in an amount not exceeding the amount of 4 (four) hours of regular pay;
4. suspension from pay and service for a maximum of 10 (ten) days;
5. disciplinary dismissal without notice and with other legal consequences.

Sanctions must be commensurate with the nature and gravity of the violation committed.

With respect to the criteria of correlation between the violations and the disciplinary measures, please note that:

- i) the disciplinary measure of a verbal reprimand for minor offences shall be applied to an employee who:
 - violates, through mere negligence, company procedures, the provisions of the Code of Ethics or adopts, in the performance of sensitive activities, conduct that does not comply with the prescriptions contained in the Model, if the violation has no external relevance;
- ii) the disciplinary measure of a written reprimand in the event of a repeated offence involving the violations mentioned in the previous point shall be applied to any employee who:
 - is a repeat offender during the two-year period in the commission of infringements for which a verbal warning is applicable;
 - violates, through mere negligence, company procedures, the provisions of the Code of Ethics or adopts, in the performance of activities in areas at risk, conduct that does not comply with the provisions contained in the Model, if the violation has external relevance;
- iii) the disciplinary measure of a penalty not exceeding the amount of 4 (four) hours of regular pay:

- is a repeat offender during the two-year period in the commission of offences for which a written warning is applicable;
 - due to the level of hierarchical or technical responsibility or in the presence of aggravating circumstances, impairs the effectiveness of the Model by conduct such as:
 - failure to comply with the obligation to inform the Supervisory Body;
 - the making, with gross negligence, of false or unfounded reports of violations of the Model or the Code of Ethics, relevant pursuant to Legislative Decree 231/2001;
 - violation of the measures adopted by the Company to ensure the protection of the identity of the whistleblower;
 - repeated failure to comply with the requirements laid down in the Model, in the event that they relate to a proceeding or relationship in which the Public Administration is a party;
- iv) the disciplinary measure of suspension from pay and service for a maximum of 10 (ten) days shall be applied to any employee who:
- is a repeat offender during the two-year period in the commission of infringements for which the previous measure is applicable;
 - violates the provisions concerning signature powers and the system of delegated powers in respect of acts and documents addressed to the Public Administration;
 - makes, with malicious intent, false or unfounded reports of unlawful conduct under Legislative Decree no. 231/2001 or relating to violations of the Model and the Code of Ethics relevant to Legislative Decree 231/2001;
 - has obstructed, even unsuccessfully, the making of a report on the unlawful conduct under Legislative Decree 231/2001 or inherent in the violation of the Model or the Code of Ethics under Leg. 231/2001;
 - violates the measures adopted by the Company aimed at ensuring the protection of the identity of the whistleblower so as to generate retaliatory attitudes or any other form of discrimination or penalisation against the whistleblower.
- v) the disciplinary measure of employment termination (which, depending on the severity of the conduct and the circumstances of the case, may be with or without notice) shall be applied to an employee who:

- fraudulently eludes the prescriptions of the Model by means of a conduct unequivocally aimed at committing one of the offences provided for in Legislative Decree 231/2001;
- violates the internal control system by the removal, destruction or alteration of documents or by preventing control or access to information and documents by the competent bodies, including the Supervisory Body, in such a way as to prevent the transparency and verifiability thereof;
- is a repeat offender for the infringements referred to at points iii) and iv), limited to false or unfounded reports made with malicious intent or gross negligence and to violations of the measures adopted by the Company to ensure the protection of the identity of the whistleblower.

The principles of correlation and proportionality between the violation committed and the penalty imposed are guaranteed by compliance with the following criteria:

- imputability of the fact;
- severity of the violation;
- employee's task, role, responsibility and autonomy;
- predictability of the event;
- possible recidivism;
- intentionality of the conduct or degree of negligence, recklessness or inexperience;
- overall conduct of the perpetrator of the violation, with regard also to the existence or otherwise of previous disciplinary actions within the terms laid out in the applicable national collective labour agreement;
- other particular circumstances characterising the violation.

The provisions and guarantees of the Workers' Statute concerning disciplinary proceedings must also be respected.

The person in charge of assessing and ordering the application of disciplinary sanctions against the employee is the Employer; disciplinary measures are also disbursed at the request of or following report from the Supervisory Body.

4.3 MEASURES AGAINST EXECUTIVES

Failure to comply with the provisions contained in the Model, including violation of the obligations to provide information to the Supervisory Body, and of the documentation that forms an integral part of it (e.g. the Code of Ethics) by Executives may result in the application of the sanctions set out in the relevant collective bargaining agreement, in

compliance with articles 2106, 2118 and 2119 of the Italian Civil Code, as well as art. 7 of Law 300/1970.

In general, the following sanctions may be applied to Executives:

1. suspension from work;
2. termination of employment.

In the event of serious violations, the Company may terminate the employment contract without prior notice pursuant to and in accordance with art. 2119 of the Italian Civil Code.

Sanctions must be commensurate with the nature and gravity of the violation committed.

It is agreed that all provisions and guarantees set forth in the applicable CCNL on disciplinary proceedings shall be followed; in particular the following shall be respected.

4.4 CONSEQUENCES (SANCTIONS) APPLIED TO CONSULTANTS, COLLABORATORS AND/OR COMMERCIAL AGENTS

Failure to comply with the provisions contained in the Model, including violation of the obligations to inform the Supervisory Body, and obligations related to the documentation that forms an integral part thereof (e.g. the Code of Ethics) by consultants, collaborators and/or commercial agents may result in the termination of the contract, the revocation of the mandate for just cause, or the measures deemed most appropriate in accordance with the contractual provisions, without prejudice to the right to claim compensation for damages incurred as a result of such conduct, including damages caused by the application by the judge of the measures provided for in the Decree.

Subject to fairness and good faith in the performance of the contract, and without prejudice to the law, in the event of a breach of a recommendation provided by a collaborator, consultant or commercial agent, the following scenarios may occur:

- i) the breach may be challenged with the simultaneous request for the fulfilment of the obligations contractually undertaken and provided for in the Model and, if appropriate, a time limit or immediate execution may be set;
- ii) damage compensation may be requested in the amount of the consideration obtained for the activity performed during the period from the date of the finding of the breach of the recommendation to the actual performance;
- iii) the existing contract may be actually terminated pursuant to art. 1456 of the Italian Civil Code.

The consequences (sanctions) must be commensurate with the nature and severity of the violation committed.

4.5 SANCTIONS AGAINST SENIOR MANAGERS (OTHER THAN THE ADMINISTRATIVE BODY)

Failure to comply with the provisions set out in the Model on the part of senior managers (other than members of the Administrative Body – including violation of the obligations to provide information to the Supervisory Body and of the documentation that forms an integral part of it (e.g. Code of Conduct) – may result in the application of the measures deemed most appropriate in accordance with the regulations.

The sanctions and any claim for damages will be commensurate with (i) the nature and severity of the breach committed and (ii) the qualification of the senior manager who committed the breach.

In the event of violation of the Model by a senior manager (other than one of the members of the Administrative Body), the Supervisory Body shall inform the Board of Directors, which will take the appropriate measures.

4.6 SANCTIONS AGAINST THE ADMINISTRATIVE BODY

Failure by the Board of Directors to comply with the provisions contained in the Model, including violation of the obligations to inform the Supervisory Body, and of the documentation that forms an integral part thereof (e.g. the Code of Ethics) may result in the application of the measures deemed most appropriate in accordance with the regulations. Pursuant to Legislative Decree 24/2023, failure to set up reporting channels or to adopt a specific policy for the filing and management of reports, or the non-compliance of the aforementioned policy with the provisions of articles 4 and 5 of Legislative Decree 24/2023 constitutes a violation under this Model.

In the event of violation of the Model by the members of the Board of Directors, the Supervisory Body shall inform the Shareholders' Meeting, which shall take the appropriate measures (consisting, if deemed necessary, in revocation for just cause and the exercise of liability action).

4.7 CONSEQUENCES FOR THE SOLE AUDITOR

Non-compliance with the provisions contained in the Model by the Sole Statutory Auditor – including violation of the obligations to inform the Supervisory Body, and of the documentation that forms an integral part thereof (e.g. the Code of Ethics) – may result in the application of the measures deemed most appropriate in accordance with the regulations.

In particular, the Sole Statutory Auditor is required to comply with this Model – in the parts that concern him/her – and to supervise the conduct relevant under this Model that is subject to his control pursuant to the law.

In the event of a breach of the Model by the Sole Auditor, the Supervisory Body informs the Board of Directors and the Shareholders' Meeting, which shall take the appropriate measures (consisting, if deemed necessary, in revocation for just cause and the exercise of liability action).

SECTION FIVE

5. UPDATING THE MODEL

The adoption and effective implementation of the Model is the responsibility of the Board of Directors.

It follows that the power to approve any updates to the Model lies with the latter, which will do so by means of a resolution in the manner laid down for its adoption.

The updating activity, intended both as integration and as revision of the Model, is aimed at ensuring its adequacy and suitability, assessed with respect to the preventive function of the commission of the offences provided for by the Legislative Decree 231/2001.

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SECTION SIX

6. MODEL INFORMATION, TRAINING AND DISSEMINATION

In accordance with the provisions of Legislative Decree 231/2001, the Company must define a communication and training programme aimed at ensuring the proper dissemination and knowledge of the Model and of the rules of conduct contained therein, as regards the resources already present in the company and those to be recruited, with a different degree of depth depending on the different level of their involvement in the activities at risk.

The information and training system is supervised by the Supervisory Body, in cooperation with the *EHS&Quality Administrator* and the various company representatives involved in the application of the Model.

With regard to the distribution of the Model, the Company undertakes to:

- disseminate the Model throughout the company by any means deemed appropriate (e.g. posting on notice boards, publication on the company intranet, etc.);
- prepare a communication in electronic or paper form to inform the Recipients of the adoption of the Model, of the Code of Ethics and of the appointment of the Supervisory Body;
- organise specific training sessions in the framework of which the Legislative Decree 231/2001 and the provisions of the Model shall be explained, and plan training sessions for the staff when the Model is updated and/or amended, using the methods deemed most suitable.

In any case, the training activity, aimed at disseminating knowledge of the regulations set out in Legislative Decree 231/2001 and the measures indicated in the adopted Model, must be differentiated in content and manner according to the position held, the activities carried out, the level of risk associated with the activity carried out and/or the existence – or non-existence – of functions of representation of the Company.

The training activity – with different modalities and contents depending on the role played – involves top management and subordinates, i.e. the personnel employed by the Company, as well as all the resources from time to time included in the corporate organisation. In this regard, the relevant training activities are planned and concretely carried out both at the time of recruitment and at the time of any organisational changes or legislative amendments impacting Model 231.

Participation in these training sessions is to be considered mandatory for the Recipients of the Model.

Training can be delivered through both face-to-face and e-learning sessions. In both cases, intermediate and final tests shall be carried out in order to verify the adequate comprehension of the contents by the Recipients; appropriate monitoring systems shall also be put in place to monitor the actual utilisation of the remote training.