

Organization, Management and Control Model

pursuant to Legislative Decree no. 231/2001

General Part



General Index

1	FOREWORD	4
2	DEFINITIONS.....	4
3	LEGISLATIVE DECREE NO. 231 OF 8 JUNE 2001.....	5
	3.1 Administrative liability – general principles.....	5
	3.2 The sanctioning system.....	6
	3.3 The Model as an exemption from liability	7
4	THE COMPANY	8
	4.1 History and structure of the Group.....	8
	4.2 The internal control system	8
5	MODEL ADOPTED BY GADA ITALIA S.P.A.	9
	5.1 The objectives pursued with the adoption of the Model	9
	5.2 Scope.....	10
	5.3 Recipients.....	10
	5.4 Criteria for the preparation of the Model and methodology	10
	5.5 Structure of the Model.....	12
	5.6 Risk threshold concept.....	12
	5.7 Changes, updating and continuous improvement.....	15
6	THE SYSTEM OF POWERS AND DELEGATIONS	15
	6.1 Definitions and essential requirements.....	15
	6.2 The system of proxies and powers of attorney in GADA ITALIA S.P.A.....	16
7	THE SUPERVISORY BODY	17
	7.1 Identification of the SB.....	17
	7.2 Eligibility requirements	18
	7.2.1 <i>Autonomy and independence</i>	18
	7.2.2 <i>Good repute and grounds for ineligibility</i>	19
	7.2.3 <i>Proven professionalism</i>	20
	7.2.4 <i>Continuity of action</i>	20
	7.3 Function of the SB	20

7.4	Powers of the SB	23
7.5	Rules of convocation and operation	24
7.6	Information flows towards the SB	25
7.7	Reports to the SB and "Whistleblowing" system.....	26
7.8	The SB's reporting activity.....	26
8	RESOURCE TRAINING	27
8.1	Initial communication	27
8.2	Training and information for employees	27
8.3	Information to "Third Parties"	28
9	DISCIPLINARY AND SANCTIONING SYSTEM.....	28
9.1	Function of the disciplinary system	28
9.2	Violations of the Model and related penalties	29
9.3	Measures against employees and managers.....	30
9.4	Measures against the Board of Directors	30
9.5	Measures against the SB	30
9.6	Measures Against Third Parties	30
10	PERIODIC CHECKS ON THE ADEQUACY OF THE MODEL.....	31
11	THE MODEL AND THE CODE OF ETHICS	31
12	PRINCIPLES OF THE MODEL.....	32
12.1	The General Control Units	32
12.1.1	<i>Segregation</i>	32
12.1.2	<i>Traceability and archiving</i>	32
12.1.3	<i>Financial flow management and control system</i>	32
12.1.4	<i>Remuneration system</i>	33
12.1.5	<i>Controls and monitoring</i>	33
12.1.6	<i>Contract clauses</i>	33
12.1.7	<i>Occupational health and safety control system</i>	34
12.2	Protocols	35
13	DOCUMENT REVISION STATUS	35

1 FOREWORD

This documentation is prepared in accordance with the requirements identified:

- in the ethical guidelines, contained in the Code of Ethics;
- in the Guideline for the construction of organisation, management and control models pursuant to Legislative Decree 231/2001 issued by Confindustria, approved by the Ministry of Justice on 7 March 2002, issued on 31 March 2008 as amended.
- in the Guidelines for the construction of Organization, Management and Control Models pursuant to Legislative Decree no. 231/2001 issued by Confindustria Medical Devices, approved by the Ministry of Justice with a note dated 10 January 2005 and subsequent amendments.

2 DEFINITIONS

Sensitive activities: the business activities in which the opportunities, conditions and tools for the commission of crimes could potentially be created.

Supervisory Authorities: Public Authorities (ex. art. 2638 of the Civil Code) who carry out supervisory activities towards the Company such as, for example, the Guarantor for the Protection of Personal Data.

CCNL: the National Collective Bargaining Agreement applicable to employees of GADA ITALIA S.P.A..

Code of Ethics: the Code of Ethics adopted by the Company to define the principles of conduct in its business, which must be observed by directors, employees, suppliers, consultants, *business partners* and customers.

Collaborators and/or Consultants: persons who have collaborative relationships with the Company without subordination, which take the form of a non-subordinate professional service, whether continuous or occasional, as well as those who, by virtue of specific mandates and powers of attorney, represent the Company towards third parties.

Board of Directors: The Board of Directors of GADA ITALIA S.p.A.

Decree or Legislative Decree 231/2001: Legislative Decree no. 231 of 8 June 2001, containing the "Regulation of the administrative liability of legal persons, companies and associations, including those without legal personality, pursuant to art. 11 of Law no. 300 of 29 September 2000", in the content in force from time to time.

Recipients: the subjects to whom the provisions of this Model apply.

Employees: natural persons subject to the management or supervision of persons who hold representation, administration or management functions of the Company, i.e. all persons who have an employment relationship, of any nature, with the Company.

Suppliers: those who supply goods or services to GADA ITALIA S.p.A.

Person in charge of a public service: one who "in any capacity provides a public service", meaning an activity regulated in the same forms as the public function, but characterized by the lack of powers typical of the latter (Article 358 of the Criminal Code).

Confindustria Guidelines: Confindustria guide-document (approved on 7 March 2002 and subsequently updated in 2004, 2008, 2014 and 2021) for the construction of the Organisation, Management and Control Models referred to in the Decree.

Organisation, Management and Control Model (also Model): this Organisation, Management and Control Model adopted pursuant to Articles 6 and 7 of Legislative Decree 231/2001.

Supervisory Body (also Body or SB): the Body of the Entity with autonomous powers of initiative and control, with the task of supervising the operation, compliance with the Model, as well as taking care of its updating.

3 LEGISLATIVE DECREE NO. 231 OF 8 JUNE 2001

3.1 Administrative liability – general principles

On 4 July 2001, Legislative Decree no. 231 of 8 June 2001 came into force, containing the "Regulation of the administrative liability of legal persons, companies and associations, including those without legal personality".

The Decree intended to adapt the domestic legislation on the liability of legal persons to some international Conventions to which Italy has already adhered for some time, such as the Brussels Convention of 26 July 1995 on the protection of the European Communities' financial interests, the Convention also signed in Brussels on 26 May 1997 on the fight against corruption involving officials of the European Community or of the Member States and the OECD Convention of 2000 17 December 1997 on the fight against corruption of foreign public officials in economic and international transactions.

Article 5 of Legislative Decree 231/2001 establishes the liability of the Company if certain crimes (so-called predicate crimes) have been committed **in its interest or to its advantage:**

- a) by "top management" persons, i.e. persons who hold representation, administration or management functions of the Company or of one of its organisational units with financial and functional autonomy, or who exercise, even de facto, the management and control of the same (e.g. directors and general managers);
- b) by persons subject to the direction or supervision of one of the subjects indicated in the previous letter (including all non-executive employees and also Third Parties).

Therefore, in the event that one of the so-called predicate offences is committed by these persons, the criminal liability of the natural person who materially committed the offence is added - if and insofar as all

the other regulatory requirements are integrated - also the "administrative" liability of the Company.

This discipline aims, therefore, to involve entities in the punishment of certain crimes committed in their interest (in view of the business policy adopted) or to their advantage (in order to obtain a financial benefit from the commission of the crime). From the point of view of sanctions, for all offences committed, a financial penalty is always imposed on the legal person; for the most serious cases, the application of disqualification sanctions is also envisaged.

The liability provided for by the Decree also arises in relation to crimes committed abroad, provided that the State of the place where the crime was committed does not proceed for them.

In addition, the incriminating offences provided for by the Decree, even if integrated only at the stage of the attempt, generate the liability provided for by the Decree for the Company. In particular, art. Article 26, paragraph 1 of the Decree, establishes that, in cases of attempted offences being committed, the financial penalties (in terms of amount) and disqualification sanctions (in terms of time) are reduced from one third to one-half, while the imposition of such penalties is excluded in cases where the Company, pursuant to Article 26 "voluntarily prevents the performance of the action or the realization of the event".

3.2 The sanctioning system

The sanctions provided for by the Decree against the Entities are: i) financial penalties, ii) disqualification sanctions, iii) confiscation of the price or profit of the crime, iv) publication of the conviction.

Financial **penalties** apply whenever the liability of the legal person is established and are determined by the criminal court through a system based on "quotas". In calculating the financial penalty, the judge determines the number of shares taking into account 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 amount of the share is set, on the other hand, on the basis of the economic and financial conditions of the entity.

Disqualification **sanctions** may be applied in addition to financial penalties, but only if expressly provided for the offence for which proceedings are being carried out and only if at least one of the following conditions is met:

- the Entity has made a significant profit from the crime and the crime has been committed by a top management or a subordinate person, but only if the commission of the crime was made possible by serious organizational deficiencies;
- in the event of repetition of offences.

They result in the prohibition from exercising the business activity; in the suspension and revocation of authorizations, licenses or concessions functional to the commission of the offense; in the prohibition of contracting with the public administration (except to obtain the provision of a public service); in the exclusion from facilitations, financing, contributions or subsidies and in the possible revocation of those granted; in the prohibition of advertising goods or services.

Disqualification sanctions do not apply (or are revoked, if already applied as a precautionary measure) if the Entity, before the declaration of the opening of the first instance hearing, has:

- compensated for the damage or repaired it;
- eliminated the harmful or dangerous consequences of the crime (or, at least, has worked to do so);
- made available to the Judicial Authority, for confiscation, the profit of the crime;
- eliminated the organizational deficiencies that led to the crime, adopting organizational models suitable for preventing the commission of new crimes.

Confiscation consists in the acquisition of the price or profit of the crime by the State or in the acquisition of sums of money, goods or other utilities of a value equivalent to the price or profit of the crime: it does not, however, invest that part of the price or profit of the crime that can be returned to the injured party. Confiscation is always ordered with the sentence of conviction.

The **publication of the sentence** can be imposed when a disqualification sanction is applied to the Entity. It is carried out by posting in the municipality where the Entity has its main office as well as by publication on the website of the Ministry of Justice.

3.3 The Model as an exemption from liability

If the offence is committed by persons who hold representation, administration or management functions of the Entity or of one of its organisational units with financial and functional autonomy, as well as by persons who exercise, even de facto, the management and control of the same, the Entity shall not be liable if it proves that:

- the management body has adopted and effectively implemented, before the commission of the act, a Model suitable for preventing crimes of the kind that occurred;
- the task of supervising the operation and observance of the Model and of taking care of its updating has been entrusted to a Body of the Entity with autonomous powers of initiative and control;
- the subjects committed the crime by fraudulently evading the Model;
- there has been no omission or insufficient supervision by the Control Body with regard to the Model.

If, on the other hand, the crime is committed by persons subject to the direction or supervision of one of the above-mentioned subjects, the legal person is liable if the commission of the crime was made possible by the failure to comply with the obligations of direction and supervision. Such non-compliance is, in any case, excluded if the Entity, before the commission of the crime, has adopted and effectively implemented a Model suitable for preventing crimes of the kind that occurred.

The Decree, therefore, provides that the company is not liable to a sanction if it proves that it has adopted and effectively implemented organisational, management and control models suitable for preventing the commission of the crimes that have occurred, without prejudice to the personal liability of the person who committed the act.

The legislator, therefore, has attributed an exempt value to the company's organization, management and control models in the event that they are suitable for risk prevention, as well as adopted and effectively implemented. The decree also specifies the requirements to be met by the models.

4 THE COMPANY

4.1 History and structure of the Group

GADA ITALIA, a subsidiary of the operating holding company PALEX HEALTHCARE GROUP ITALIA S.p.A., deals with the distribution of cutting-edge devices in medical technology and medical equipment, and the provision of full-risk maintenance and technical assistance services for medical devices and hospital equipment for public and private health centers.

The operating holding company PALEX HEALTHCARE GROUP ITALIA S.p.A. manages the activities of all the commercial and service subsidiaries, with particular reference to the definition of the commercial and financial strategy and the provision of all related support services: administration, supply chain, corporate compliance, human resources.

In order to ensure ever greater conditions of fairness and transparency in the conduct of business and corporate activities, the Company has deemed it necessary to adopt an organisational, management and control model (hereinafter the "Model") in line with the provisions of the Decree.

GADA ITALIA S.P.A. believes that the adoption of this Model, together with the issuance of the Code of Ethics and the related Policies, constitute, beyond the provisions of the law, a further valid tool for raising awareness among all the Company's employees and all other parties involved in it (Suppliers, Partners, Investors, etc.).

All this so that the aforementioned subjects follow, in the performance of their activities, correct and transparent conduct in line with the ethical and social values that inspire the Company in the pursuit of its corporate purpose, and such as to prevent the risk of committing the crimes contemplated by the Decree.

Furthermore, in implementation of the provisions of art. 6, paragraph 1, letter a), this Model is approved by the administrative body, which appoints the natural persons who assume the functions of members of the Supervisory Body, as provided for by Decree art. 6, paragraph 1, letter b), with the task of supervising the operation, effectiveness and compliance of the Model itself, as well as ensuring that it is updated.

4.2 The internal control system

In the construction of the Model of GADA ITALIA S.p.A., account was taken of the governance tools of the Company's organization that guarantee its operation, and in particular of:

- **Articles of Association:** which contemplate various provisions relating to corporate governance aimed at ensuring the proper performance of management activities;

- **Organisational system:** consisting of organisational structures/positions and areas of responsibility, represented in the Organisational Chart and which is an integral part of this Model;
- **Code of Ethics:** consisting of a set of rules of conduct and general principles that all internal and external parties, who have a direct or indirect relationship with GADA ITALIA S.p.A., must comply with and the violation of which involves the application of the sanctioning measures provided for by the sanctioning system of this Model;
- **Procedural system:** consisting of policies and procedures adopted aimed at regulating the relevant processes and providing operating methods and control controls for the performance of company activities. The Company also complies with the relevant regulations, including those in the sector.

The Company has implemented an Integrated Management System (IMS), obtaining the UNI EN ISO 9001:2015- 14001:2015 - 13485:2016 - 37001:2016 - 37301:2021 certifications; the IMS is composed of policies and procedures with related application forms.

The objective of the IMS is to ensure that the company's management is balanced between the Company's needs to protect the quality of the services offered and their profitability and at the same time to guarantee the protection of the health and safety of the personnel working, the simultaneous protection of the environment in which the Company operates and the need to do so in a climate of legality.

To achieve the above-mentioned objectives, a periodic review of the IMS is envisaged through internal and external audits (Certification Bodies) that allow GADA ITALIA S.P.A. to constantly improve its processes.

5 MODEL ADOPTED BY GADA ITALIA S.P.A.

5.1 The objectives pursued with the adoption of the Model

PALEX HEALTHCARE GROUP ITALIA S.P.A. approved the first version of its Organization, Management and Control Model by the Board of Directors on October 1, 2008

The adoption and implementation of the Model by the Company were carried out in the awareness of the value that can derive from an internal control system suitable for preventing the commission of Crimes by its Employees, Corporate Bodies and Third Parties. In particular, the Company is aware that the adoption and effective implementation of the Model: (i) improves the Corporate Governance system, as it limits the risk of committing crimes, (ii) constitutes a fundamental tool for raising awareness among all those who operate in the name and on behalf of the Company, so that they follow correct and linear conduct in the performance of their activities, such as to prevent the risk of committing crimes, and (iii) allows you to benefit from the exemption provided for by Legislative Decree 231/2001.

The purpose pursued by the Company through the adoption and implementation of this Model is the preparation of a structured and organic system of prevention, deterrence and control for the reduction of the risk of committing Crimes through the identification of the Company's Sensitive Activities, the principles of conduct that must be respected by the recipients of the Model, as well as specific control activities, all aimed at preventing the commission of crimes.

In particular, through the identification of Sensitive Activities, the Model aims to:

- develop in all those who work in the context of the Company's Sensitive Activities the awareness of

being able to determine - in the event of conduct that does not comply with the provisions of the Model and other company rules and procedures (as well as the law) - offences liable to criminal consequences not only for themselves, but also for the Company;

- reiterate that these forms of unlawful conduct are strongly condemned by the Company as (even if the Company were apparently in a position to take advantage of them) they are in any case contrary not only to the provisions of the law, but also to the ethical and social principles which it intends to comply with in carrying out its corporate mission;
- allow the Company, thanks to a monitoring action on Sensitive Activities, to intervene promptly to prevent or combat the commission of Crimes.

5.2 Scope

This Model 231 concerns all the activities carried out by the Company that have been identified as potentially at risk of committing the offences provided for by Decree 231 (so-called Sensitive Activities).

5.3 Recipients

The principles and provisions of this document must be respected by:

- Board of Directors, Statutory Auditors and Auditors;
- employees;
- suppliers, consultants, professionals and any third parties to the extent that they may be involved in the performance of activities in which the commission of one of the predicate offences referred to in the Decree is conceivable;
- those who act under the direction or supervision of the company's top management within the scope of the tasks and functions assigned.

The subjects identified in this way are hereinafter referred to as "Recipients".

5.4 Criteria for the preparation of the Model and methodology

In preparing this Model, the Company has been inspired by the Guidelines drawn up by Confindustria.

In line with these Guidelines, the preparation of the Model was based on:

- identification of Sensitive Activities, aimed at verifying in which area/sector of the company it is possible to commit Crimes;
- preparation of a control system capable of preventing the risks identified through the adoption of specific protocols.

The preparation of this Model (as well as any subsequent update, if the interventions are substantial and

therefore relate to the identification of new Sensitive Activities or the preparation of new Special Parts) is divided into different phases described below:

- Mapping of Sensitive Activities: through an examination of the company context and relevant documentation, as well as through the collection of information from persons in senior positions, the main activities carried out by the Company are identified and mapped, and among these, those in which the Crimes may be committed (so-called Sensitive Activities) are subsequently identified.
- Risk definition activities: for each Sensitive Activity, the families of offences pursuant to Legislative Decree 231/2001 that can be abstractly configured in the performance of these Activities are identified. For each category of crime identified in the context of the Sensitive Activity, an exemplary description is provided of the possible method of committing the crimes, included in the identified "crime families"; together with the identification of potential risks, the control system adopted by the Company that can be considered relevant for the purpose of preventing the risks of committing the offences in question is analysed.
- Preparation of the risk assessment matrix: in order to assess the risk relating to the individual Sensitive Activities, a risk assessment matrix is prepared containing the formulas for assessing the "inherent risk" (given by the combination of probability of occurrence and impact of the Crime considered) and the "residual risk" resulting from the cross-referencing between the inherent risk and the assessment expressed by the Company on the adequacy of horizontal and vertical control measures applicable to any Sensitive Activity;
- Risk assessment workshops: workshop sessions are organized with individuals in senior positions, during which the purpose and structure of the risk assessment matrix and how to fill it in are illustrated and those present are asked to fill in the questionnaire with regard to the activities of competence, in order to define the risk inherent in the Sensitive Activities considered, as well as for the purpose of formulating specific questions aimed at assessing any "gaps";
- Risk assessment: the results are processed and consolidated by compiling the risk assessment matrix, in order to have a summary view - for each Sensitive Activity - of the assessments expressed by the individual process owners;
- Gap Analysis: on the basis of the results obtained from the assessment conducted at the end of the risk assessment, the Company identifies the actions to be implemented in the context of Sensitive Activities, both at the level of internal procedures and existing controls, and of organisational requirements in order to mitigate the risks emerging from the risk assessment activity to be reflected in the drafting of this Model.

In consideration of the results of the phases described above, the Model was then prepared.

The methodology described above will also be used for any subsequent update, if the interventions are substantial and therefore relate to the identification of new Sensitive Activities or the preparation of new Special Parts.

5.5 Structure of the Model

The Model consists of a "General Part" and a "Special Part" which is in turn divided into two sections: together with the General Part and the Special Part, the following documents are to be considered an integral part of the Model: Code of Ethics, Disciplinary and Sanctioning System, System of Powers and Delegations, Policy Compliance and ABAC, Whistleblowing Policy.

The Model makes use of the system of integrated procedures provided for in the UNI EN ISO 9001:2015 - 14001:2015 - 13485:2016 - 37001:2016 - 37301:2021 standards adopted by the company, which govern the approval process of the system as a whole.

The Model has been structured in this way in order to ensure a more streamlined and effective updating of the Model. In fact, if the "General Part" contains the formulation of principles of law to be considered substantially invariable, the various "Special Parts", in consideration of their particular content, are instead susceptible to continuous updating. In addition, legislative developments – such as a possible extension of the types of offences that, as a result of other regulations, are included or in any case linked to the scope of application of the Decree – may make it necessary, as mentioned above, to integrate the Model into the "Special Part" section, just as the dynamism of the business process system may require recourse to new revisions or additions to the procedures adopted.

In consideration of the above, the Supervisory Body has the task of adopting any type of measure so that the various Administrative Bodies of the Companies provide for similar updates and additions to the individual "Special Parts".

5.6 Risk threshold concept

A critical concept to be kept in mind in the construction of any organizational, management and control model is that of "risk". The drafters, together with the functional figures called upon to review and approve the procedures of the Model, are always called upon to refer to this fundamental aspect.

Therefore, also for the purposes of applying the provisions of the Decree, it is important to define a threshold that allows a limit to be placed on the quantity and quality of the prevention tools to be introduced in order to inhibit the commission of the crime.

In relation to the risk of committing the crimes referred to in the Decree, the analysis will be aimed at building a preventive system of specific protocols that can only be circumvented fraudulently, thus intentionally violating the Model adopted.

Consequently, due to its characteristics, an effective preventive control system must be able to:

- exclude that any person operating within the Company can justify his conduct by invoking ignorance of company directives;
- to prevent that, in normal cases, the crime can be caused by human error, also due to negligence or inexperience, in the evaluation of company directives.

In the specific case, GADA ITALIA S.P.A. has identified the areas in which crimes can be theoretically committed through a detailed assessment of all company processes aimed at verifying the abstract configurability of the

types of crime provided for by the Decree, as well as the suitability of the existing control elements to prevent their committality.

At the same time, for each individual crime contemplated, the risk of committing it to individual processes/activities was assessed.

This assessment took into account the following parameters:

- the potential seriousness (or impact) of the offences: this parameter is applied considering the maximum edict of the disqualification sanction provided for by Legislative Decree 231/2001; means that the Company has decided to evaluate this parameter in compliance with the following table:

	Sanz. Amm.va (quote)	0-180	181-333,33	334-600	601-1000
Sanz. Inter.va (months)	Severity				
0-5	Severity	0	1	2	3
6-12		1	1	2	3
13-24		2	2	2	3
>24		3	3	3	3

therefore, for each specific risk, the Administrative Sanction and the Disqualification Sanction are indicated, through values that indicate, respectively, the quotas and months of each; For example, for an administrative sanction equal to 300 units (risk: 1) at the same time as a disqualification sanction equal to 24 months (risk: 2), the reference value would be 2 since it is the highest of the values.

- probability: this parameter indicates the degree of probability of the crime being committed with reference to each activity carried out in the trial, according to the following scale indirectly proportional to the occurrence of the crime as well as the level of controls already put in place at the Company itself:

NOTHING: the crime cannot be configured

LOW: the activity is well controlled and/or the activities where the offences occur are rare

MEDIA: the organization has minimal control tools for monitoring activities, i.e. the activity is well controlled but potential offences are frequent

HIGH: The organization has insufficient control tools for monitoring activities.

In assigning probability, the following were taken into account as a degree and/or control factor of business processes, among others:

- Organizational/procedural causes, such as gaps or insufficiencies in the organizational-management system
- Lack or insufficiency of a system of preventive internal controls, i.e. lack of hierarchical controls and authorizations;
- Problems with internal communication of procedures or rules or lack of information on procedures;
- Difficulty in identifying those responsible for individual transactions, as well as the absence of registration of the same;
- Possible negligence of employees/collaborators;
- Unlawful or omissive conduct by external parties;
- Malicious or fraudulent behavior by the employee/collaborator.

A numerical value was assigned to each parameter and the well-known formula was applied as a risk assessment formula: $R=P \times G$

		SEVERITY			
		0	1	2	3
PROBABILITY	NOTHING	0	0	0	0
	LOW	1	0	1	2
	MEDIUM	2	0	2	4
	HIGH	3	0	3	6



NULL or LOW: The offence is not configurable or is not critical

MEDIUM: The type of crime is critical. The associated process is sensitive. Provide protocols

ALTO: The type of crime is very critical. The associated process is sensitive. Each case must be regulated by protocols and control tools

This analysis was formalized in a company document called "Crimes-Processes Mapping" in which, in tabular form, the crimes provided for by 231 were expressed (indicating the seriousness for each) and the company processes and, at each intersection, the probability was recorded. In compliance with the criteria set out above, the resulting risk was expressed by indicating the area with its colour.

On the basis of this, by extrapolating the crimes and/or business processes with ALWAYS zero risk, the Mapping of Sensitive Processes was obtained.

Depending on the risk of committing the specific crime, specific protocols/operational/management procedures and levels of control of the same have therefore been implemented, as described within the

precautions and formalized in the Special Parts of the Model.

5.7 Changes, updating and continuous improvement

Subsequent substantial amendments and additions to the Model itself are the responsibility of the Company's Board of Directors.

The aforementioned changes must be submitted in advance to the Supervisory Body.

In particular, the following will be promptly carried out: (a) the amendment of the Model where significant violations or circumvention of the same are identified that show its inadequacy, even partial, to ensure the effective prevention of predicate crimes; (b) the updating of Model 231, also on the proposal of the Supervisory Body, if there are significant changes or modifications in the legal and regulatory system, including internal ones, governing the Company's activities and/or in its structure, organisation or activities.

For the above purposes, the Supervisory Body must report in writing to the administrative body the circumstances that suggest the need, or even the opportunity, to amend or update Model 231.

6 THE SYSTEM OF POWERS AND DELEGATIONS

6.1 Definitions and essential requirements

In preparing this Model, account has been taken of the procedures and control systems already operating within the Company, identified during the analysis of the Sensitive Activities, to the extent that they have been considered suitable also as measures for the prevention of Crimes and control over the processes involved in the Sensitive Activities.

The following are the general safeguards, which are provided for as an essential part of the Model and must always be applied and respected with reference to all the Sensitive Activities taken into consideration by the Special Part of Model 231:

The Company adopts and maintains updated over time a system of powers based on formalized proxies and powers of attorney.

In particular, delegation constitutes an internal act of attribution of functions, tasks and responsibilities. Closely related to the delegation is the power of authorization, understood as that power of approval having internal value and related to the exercise of a delegation.

The power of attorney (also understood as the power of "signature/representation") consists, on the other hand, of a unilateral legal act by which the Company assigns specific powers of representation; this act legitimizes the addressee to take action against third parties.

The powers are closely connected and consistent with the organisational and managerial responsibilities assigned and limited, where appropriate, to specific value limits.

The attribution of delegations and powers responds to the following mandatory principles:

- definition of roles, responsibilities and controls in the process of conferring, updating and revoking proxies and powers of attorney;
- conferring, updating and revoking delegations and powers in line with the roles held in the organization, with alignment in the event of changes in the organization or changes in individual roles and responsibilities or the departure/entry of people;
- timely and constant dissemination of information about the ownership of the powers assigned and the related changes;
- traceability and archiving of all documentation relating to proxies and powers of attorney conferred and related variations;
- periodic verification of the compliance of the exercise of the powers of representation with the powers of attorney conferred;
- periodic monitoring of the adequacy of the System of Powers and its updating, taking into account any evolution of the Company's activities.

The SB periodically verifies, with the support of the departments concerned, compliance with the system of delegations and powers of attorney implemented by the Company and their consistency with the principles and general rules indicated above. At the same time, at the end of the checks, the SB recommends any changes or additions.

6.2 The system of proxies and powers of attorney in GADA ITALIA S.P.A.

As required by good business practice and also specified in the Confindustria Guidelines, the Administrative Body of the companies belonging to GADA ITALIA S.P.A. is the body responsible for formally conferring and approving the proxies and powers of signature, assigned in line with the organizational and managerial responsibilities defined and providing for a precise indication of the thresholds for the approval of expenses.

The level of autonomy, the power of representation and the expenditure limits assigned to the various holders of proxies and powers of attorney within the Company are always identified and set in strict consistency with the hierarchical level of the recipient of the proxy or power of attorney.

The powers thus conferred are periodically updated according to organisational changes in the Company's structure.

The Company has also established an information flow for all corporate functions and subjects, in any capacity concerned, including the SB and the Board of Statutory Auditors, in order to ensure the timely communication of powers and related changes.

In detail, the structure of proxies and powers of attorney can be deduced from the documents listed below (available within the company server at the state of the last update):

BYLAWS: identifies the corporate purpose, the shareholders' meeting (and all matters relating to the bylaws

thereof), the administrative body (and all matters relating to the bylaws thereof).

CHAMBER OF COMMERCE SEARCH: identifies the members of the current administrative body and their powers, including general and special powers of attorney

SOCIETOGRAMMA

ORGANIZATION CHART AND JOB DESCRIPTION: represent the general organization of the company expressed by

- organization chart: it is the graphic representation of the company functions;
- process responsibility: this is the indication, for each business process, of the business function that is responsible for it and of the business functions that participate in it.
- job description: document that describes the tasks of individual organisational positions and individual company figures.

"TREE OF PROXIES" DOCUMENT: an integral part of this Model

7 THE SUPERVISORY BODY

7.1 Identification of the SB

The Company has assigned the task of supervising the operation and compliance with the same to the Supervisory Body, which meets the requirements set out below and is aimed at ensuring effective and effective implementation of the Model.

In implementation of the provisions of the Decree – which in art. 6, first paragraph, letter b) imposes, as a condition for the granting of exemption from administrative liability, that a body of the Entity with autonomous powers of initiative and control be entrusted with the task of supervising the functioning and compliance with the models as well as taking care of their updating - a collegial body (the "Supervisory Body" or "SB") has been established within the Company to supervise the operation and compliance, as well as for updating the Model.

With regard to the composition of the Company's SB, the participation of both external and internal parties to the Company is permitted, for a total number not exceeding five, provided that the majority of the members are external. An external member of the SB must be appointed Chairman of the SB.

Decisions relating to the duration, the determination of the actual number of members of the Company's SB, the identification, appointment and assignment of the roles of the members themselves, as well as the remuneration due to external members, are delegated to the Board of Directors.

The Board of Directors appoints the Supervisory Body by means of a specific resolution: in this regard, at the time of appointment, adequate clarifications must be provided during the relevant meeting regarding the professionalism of its members, whose curriculum vitae will be attached to the relevant minutes.

Any change in the composition of the SB, both in number and in the identification, appointment and

assignment of roles, must be formalized by means of a specific resolution.

All Employees shall be notified of the appointment/change of the SB.

7.2 Eligibility requirements

The members of the Company's SB must possess adequate requirements of autonomy, independence, professionalism, continuity of action, as well as integrity and absence of conflicts of interest, as specified below.

7.2.1 *Autonomy and independence*

The requirement of autonomy and independence presupposes that the SB responds, in the performance of this function, only to the highest hierarchical level (corporate governance body).

Autonomy and independence must be understood in a sense that is not merely formal: it is necessary that the SB is equipped with effective powers of inspection and control and that it has the possibility of accessing relevant company information on its own initiative, that it is equipped with adequate resources and can make use of tools, supports and experts in carrying out its monitoring activities.

In particular, this requirement is ensured by the obligation of the administrative body to approve an adequate annual allocation of financial resources, also on the proposal of the Supervisory Body itself, which the latter may have at its disposal for any need necessary for the proper performance of its duties (e.g. specialist consultancy, any travel, etc.).

Independence also presupposes that the members of the Supervisory Body are not in a position, not even potentially, of conflict of interest with the Company, nor do they hold executive functions within the Company that would undermine their objectivity of judgment at the time of checks on compliance with the Model.

Finally, in order to guarantee the requirements of independence and autonomy, from the moment of appointment and for the entire duration of the office, the members of the Body:

- a) they must not hold the role of administrator;
- b) they must not be the holders, directly or indirectly, of shareholdings in the Company's capital or be the holders, directly or indirectly, of shareholdings of such an extent as to allow them to exercise control or significant influence over the Company;
- c) if external to the Company, they must not have - directly or indirectly - with the Company, nor with companies controlled by it or connected to it, economic relations of such importance as to affect their autonomy of judgment, also assessed with reference to the subjective financial condition of the natural person, nor entertain significant business relationships with the directors with proxies (executive directors) and with the shareholders who control the Company;
- d) if internal to the Company, they must hold a non-executive role and not be directly involved in business activities;

- e) they may be persons who hold the quality of Mayor, if any;
- f) they must not have relations with or be part of the family unit of the executive directors, the family unit being understood as the one consisting of the spouse who is not legally separated, relatives and relatives within the fourth degree;
- g) they must not have kinship, marriage or affinity relationships up to the fourth degree with members of the administrative body, persons who hold representation, administration or management functions of the Company, persons who exercise, even de facto, the management and control of the Company, the auditors of the Company and the representatives of the auditing firm, if any, as well as other persons indicated by law;
- h) they must have and maintain the integrity requirements indicated in the following paragraph for the entire duration of their appointment.

7.2.2 *Good repute and grounds for ineligibility*

Those who may not be elected members of the Supervisory Board and, if they are, those who do not necessarily and automatically lose their office shall be who:

- i. they are in the conditions provided for by Article 2382 of the Civil Code, i.e. those who are incapacitated, disqualified, bankrupt or sentenced to a penalty that involves the interdiction, even temporary, from public offices or the inability to exercise managerial offices;
- ii. have been subjected to preventive measures ordered by the judicial authority pursuant to Law No. 1423 of 27 December 1956 (Law on preventive measures against persons dangerous to safety and public morality) or Law No. 575 of 31 May 1965 (Law against the Mafia);
- iii. have been convicted following a sentence even if not yet final, or issued pursuant to art. 444 et seq. of the Code of Criminal Procedure or even if with a suspended sentence, without prejudice to the effects of rehabilitation:
 - 1) for one of the offences provided for in Title XI of Book V of the Civil Code (Criminal provisions on companies and consortia) and in Royal Decree no. 267 of 16 March 1942, as subsequently amended or supplemented (Discipline of bankruptcy, arrangement with creditors, receivership and compulsory administrative liquidation);
 - 2) for an offence against the public administration, or imprisonment for a period of not less than one year for a offence against public faith, against property, against public order, against the public economy or for a crime in tax matters;
 - 3) imprisonment for a period of not less than two years for any non-culpable crime;
 - 4) in any case and regardless of the extent of the penalty for one or more offences among those exhaustively provided for by Legislative Decree 231/01;
- iv. have been declared disqualified, incapacitated or subject to bankruptcy proceedings or have been

convicted with sentences involving disqualification from public offices, from the management offices of companies and legal persons, from a profession or an art and/or the inability to contract with the Public Administration;

- v. have held the position of member of the SB in companies against which the sanctions provided for by art. 9, Legislative Decree 231/01, unless 5 years have elapsed since the final imposition of the sanctions and the member has not incurred a criminal conviction, even if not definitive.

Similarly, those against whom the ancillary administrative sanctions provided for by art. 187-quarter TUF (Legislative Decree no. 58/1998) or a sentence has been imposed that involves the interdiction, even temporary, from public offices or temporary disqualification from the management offices of legal persons.

7.2.3 Proven professionalism

The Supervisory Body must possess, internally, technical and professional skills appropriate to the functions it is called upon to perform. These characteristics, combined with his independence, guarantee his objectivity of judgment; it is therefore necessary that the internal members of the Supervisory Body be chosen from among persons with adequate professionalism in the field of control and management of corporate risks and in legal matters; moreover, with regard to the external members of the Supervisory Body, it is envisaged that they will be chosen from among persons competent in legal matters, business organization, auditing, accounting, finance and safety at work.

The Supervisory Body will also be able, also with the help of external professionals, to equip itself with competent resources in the legal field of business organization, auditing, accounting and finance.

7.2.4 Continuity of action

The Supervisory Body continuously carries out the activities necessary for supervision regarding the correct application of the Model with adequate commitment and with the necessary investigative powers; it is an internal structure of the company, so as to ensure due continuity in supervisory activities; takes care of the implementation of the Model by ensuring that it is constantly updated; does not carry out operational tasks that could condition and contaminate the overall vision of the business activity that is required of him.

Adequate information on the possession of the above requirements will be provided to the Board of Directors at the time of the appointment of the members of the SB, together with the curriculum vitae of the interested parties.

7.3 Function of the SB

The SB is entrusted with the task of supervising:

- (a) on the effectiveness and adequacy of the Model in relation to the corporate structure and the effective ability to prevent the commission of Crimes;
- (b) compliance with the Model by Employees, Corporate Bodies and Third Parties;
- (c) on the opportunity to update the Model, where there is a need to adapt it in relation to changed company and/or regulatory conditions.

On a more operational level, the SB is entrusted with the task of:

(i) Updates, regulatory powers, reports:

- a. propose the preparation of the internal organisational documentation necessary for the operation of the Model itself, containing instructions, clarifications or updates; suggest and promote the issuance of procedural provisions implementing the principles and rules contained in the Model;
- b. interpret the relevant legislation and verify the adequacy of the Model to meet these regulatory requirements, informing the Board of Directors of possible areas of intervention;
- c. verify that the elements provided for by the individual Special Parts of the Model for the prevention of the different types of offences (adoption of standard clauses , completion of procedures, etc.) are in any case adequate and meet the requirements of compliance with the provisions of the Decree, proposing, if this is not the case, an update of the elements themselves;
- d. analyze the company's activities in view of updating the mapping of activities at risk *pursuant to* Legislative Decree 231/2001;
- e. promote the revision and possible updating of Model 231 in relation to: (a) ascertaining violations of the provisions of Model 231, (b) significant changes to the Company's internal structure, business activities or related methods and/or (c) regulatory changes (e.g. inclusion of new predicate offences in Legislative Decree 231/2001), reporting to the Board of Directors the possible areas of intervention;
- f. promote, if it appears that the state of implementation of the provisions of the Model 231 is inadequate, all the necessary initiatives in order to bring conduct into line with the provisions of the Model itself;
- g. indicate in the annual report the appropriate additions to the management systems of financial resources (both incoming and outgoing) to introduce some measures suitable for detecting the existence of any atypical financial flows and characterized by greater margins of discretion than what is ordinarily envisaged;
- h. indicate in the annual report the opportunity to issue particular procedural provisions implementing the principles contained in the Model, which may not be consistent with those currently in force in the Company, also taking care of the coordination of the same with what exists;
- i. coordinate with the heads of the other company functions for the various aspects relating to the implementation of the Model (definition of standard clauses, staff training, disciplinary measures, etc.);
- j. periodically verify – with the support of the other competent corporate functions – the system of powers in force, recommending changes in the event that the management power and/or qualification does not correspond to the powers of representation conferred;

- k. promptly inform the Board of Directors of any serious violations of Model 231, requesting the support of the corporate functions capable of collaborating in the verification and identification of suitable actions to prevent the recurrence of the circumstances in question;

(ii) Checks and controls:

- a. conduct reconnaissance on the company's activities for the purpose of updating the mapping of Sensitive Activities;
- b. in compliance with the provisions of the annual calendar of the body's activities, carry out periodic targeted checks on certain transactions or specific acts carried out by the Company, especially in the context of Sensitive Activities, the results of which must be summarised in a special report to be presented during *reporting* to the Corporate Bodies in charge;
- c. collect, process and store information relevant to compliance with the Model, as well as update the list of information that must be transmitted to it or kept at its disposal;
- d. coordinate with the company functions (also through special meetings) for the best monitoring of activities in relation to Sensitive Activities and the related procedures established in the Model. To this end, the SB has free access to all company documentation (both paper and electronic) that it deems relevant and must be constantly informed by *management*: a) on the aspects of the company's activity that may expose the Company to the risk of committing one of the Crimes; b) on relations with Third Parties;
- e. activate and carry out internal investigations, liaising from time to time with the company functions concerned to acquire further elements of investigation;
- f. solicit the implementation of the control procedures provided for by the Model, including through the issuance or proposal of internal provisions (regulatory and/or information);
- g. collect, process and store the relevant information regarding compliance with the Model, as well as update the list of information that must be mandatorily transmitted to them or kept available to them;
- h. check the actual presence, regular keeping and effectiveness of the required documentation in accordance with the provisions of the individual Special Part Protocols of the Model. In particular, the SB must be notified of the most significant activities or operations contemplated by the Special Part Protocols, the updated data of the documentation must be made available to it, in order to allow the relevant checks to be carried out;
- i. promptly verify any critical issues found by the competent Company Representatives regarding the company's financial flows, proposing the appropriate operational solutions;
- j. verify that the corrective actions necessary to make Model 231 adequate and effective are promptly implemented;

(iii) Internal investigations: if it is deemed necessary to carry out internal investigations, assume a role of coordination and supervision in relation to such investigations, making use of a corporate function or a combination of functions having the requirements indicated above and/or external consultants for the performance of investigative activities;

(iv) Education:

- a. promote suitable initiatives for the dissemination of knowledge and understanding of the Model;
- b. contribute to defining training programmes for staff and the content of periodic communications to be made to Employees and Corporate Bodies, aimed at providing them with the necessary awareness and basic knowledge of the regulations referred to in Legislative Decree 231/2001;
- c. monitor initiatives for the dissemination of knowledge and understanding of the Model and prepare the internal documentation necessary for its effective implementation, containing instructions for use, clarifications or updates of the same;

(v) Violations of the Model and Sanctions:

- a. conduct internal investigations to ascertain alleged violations of the provisions of this Model, summoning, where deemed necessary, any Employee;
- b. coordinate with the *company management* to evaluate or propose the adoption of any sanctions or measures, without prejudice to the competence of the latter - and in particular of the persons in charge of human resources management - with regard to the decision and the imposition of the same;
- c. periodically verify, with the support of the other competent functions, the validity of the standard clauses aimed at implementing sanctioning mechanisms (such as withdrawal from the contract with regard to Third Parties) if violations of the provisions are ascertained and the effective application of such sanctioning mechanisms.

7.4 Powers of the SB

The SB has, by law, autonomous powers of initiative and control for the purpose of supervising the operation and compliance with the Model, but it does not have coercive powers or powers of intervention on the corporate structure or sanctions, powers that are delegated to the competent Corporate Bodies or to the competent corporate functions.

Taking into account the peculiarities of the attributions and the specific professional contents required, in carrying out supervisory and control tasks, the SB will in any case also be constantly supported by the Company's management.

The management, within the scope of their respective functions and within the limits of the delegated delegations, has primary responsibility with regard to: 1) the control of activities and areas of competence; 2) compliance with the Model by the Employees under management; 3) the timely and timely information to the SB on any anomalies, problems encountered and/or critical issues detected.

The SB may request specific control activities from the Company's structures on the correct and precise functioning of the Model.

All parties involved within the company structure are required to supervise and inform the SB on the correct

application of this Model, each within the scope of their operational competences.

The SB may avail itself, whenever it deems it necessary to carry out its supervisory activities and all the provisions of this Model, of the collaboration of additional company resources deemed necessary from time to time, chosen within the various company functions, without limitations on time and number, who may also constitute a dedicated staff, full-time or part-time, if the need is recognized.

Moreover, in cases where activities are required that require specializations not present within the Company, the SB may make use of external consultants.

The autonomy and independence that must necessarily characterise the activities of the SB have made it necessary to introduce some forms of protection in its favour, in order to ensure the effectiveness of the Model and to prevent its control activity from generating forms of retaliation to its detriment. Therefore, decisions on transfers or sanctions relating to the SB and its members, when they are employees of the Company, are attributed to the exclusive competence of the Board of Directors, subject to the opinion of the Shareholders' Meeting.

Therefore, the SB is granted the following powers:

- to access all documents and information relating to the Company;
- to make use of all the Company's structures, which are obliged to collaborate, of auditors and external consultants;
- to collect information from all the Recipients of this Model, including the auditing firm and Third Parties, in relation to all the Company's activities;
- to request, through the appropriate channels and persons, the convening of the Board of Directors to address urgent matters;
- to request the holders of corporate functions to participate, without decision-making power, in the meetings of the Supervisory Body;
- to make use of external consultants to whom to delegate limited areas of investigation or activities. In this regard, the Board of Directors must approve an annual expenditure budget for the SB, which may freely dispose of it in relation to its activities, except for additions requested for any supervening needs.

7.5 Rules of convocation and operation

The Supervisory Body may regulate the methods of its operation with specific regulations, based on the following principles:

- the Supervisory Body meets at least quarterly;
- the sessions are held in person, by video or teleconference (or in combination);

- the Shareholders' Meeting, the administrative body and the control body, if any, may request that the Supervisory Body meet at any time; the SB in turn has the right to request, through the competent functions or subjects, the convocation of the aforementioned bodies for urgent reasons;
- for the validity of the meetings, the presence of the majority of the members in office is required;
- ad hoc sessions may be held and all decisions taken during these sessions must be carried over to the next session;
- decisions are taken on the basis of unanimous decisions; in the event of lack of unanimity, the majority decision or, in the event of a tie, of the President prevails;
- the minutes of the meetings report all the decisions taken by the body and reflect the main considerations made to reach the decision; these reports are kept by the Supervisory Body in its archive.

7.6 Information flows towards the SB

The SB is the recipient of any information, documentation and/or communication, including from third parties, relating to compliance with the Model.

All the Recipients of this Model are required to report to the Supervisory Body, to be carried out following periodic information flows or by event.

The Supervisory Body establishes in its control activity the documentation that, on a periodic basis, must be submitted to its attention.

The following must be promptly and compulsorily transmitted to the Supervisory Body:

- measures and/or information from judicial police bodies or any other authority, which show that investigations are being carried out, including against unknown persons for the offences provided for by the Decree, concerning the Company;
- visits, inspections and investigations initiated by the competent bodies (state bodies, regions, regional authorities, local authorities, other) and, at their conclusion, any findings and sanctions imposed;
- requests for legal assistance made by persons within the Company, in the event of the initiation of legal proceedings for one of the offences provided for by the Decree;
- reports prepared by the company structures as part of their control activities, from which critical elements emerge with respect to the provisions of the Decree;
- periodically, news relating to the effective implementation of the Model in all business areas/functions at risk;
- periodically, news relating to effective compliance with the Code of Ethics at all company levels;
- information on the evolution of activities relating to risk areas;
- the system of proxies and powers of attorney adopted by the Company;

- reports of assessment of administrative, regulatory or tax offences.

In addition, all the evidence resulting from the application of the protocols present in the Special Parts may be forwarded to the SB.

In the event of information and/or news, even unofficial, relating to the commission of the offences envisaged by the Decree or in any case concerning possible violations of the Model and the Code of Ethics, everyone must immediately contact the SB or, alternatively, use the reporting channels provided for in the Whistleblowing Policy referred to in the following paragraph

7.7 Reports to the SB and "Whistleblowing" system

GADA ITALIA S.P.A. considers compliance with the ethical principles that the company has adopted to be fundamental, as well as compliance with the rules and regulations in force. In this context, the company has issued a Policy dedicated to the management of reports (the so-called Whistleblowing Policy, to the content of which please refer), which provides for the use of various reporting methods, while ensuring maximum protection and confidentiality of both the reporting persons and the subject of the reports.

The reporting system implemented following the entry into force of Law no. 179/2017 which introduces into the Italian legal system "Provisions for the protection of those who report crimes or irregularities of which they have become aware in the context of a public or private employment relationship" (the so-called "Whistleblowing Law") allows employees, collaborators, consultants, internal and external of GADA ITALIA S.P.A. to send – in absolute respect of the confidentiality of all subjects involved - reports on alleged or known violations of laws, procedures and company policies or values and the company's Code of Ethics.

The reports are kept by the SB in accordance with the procedures indicated in the SB Regulations.

The Company adopts appropriate measures to ensure that confidentiality is always guaranteed regarding the identity of those who transmit information. Any form of retaliation, discrimination or penalization against those who make reports in good faith is prohibited. Retaliatory or discriminatory dismissal, change of job and any other measure against the reporting party are null and void.

The investigation of the reports received is carried out in accordance with the procedures adopted by the Company. The checks will be initiated in the presence of detailed information, based on precise and consistent factual elements, regarding unlawful conduct or violations of this Model. Violations of the Model are also considered to be non-compliance with the information obligations towards the SB or the measures to protect the whistleblower, as well as the sending of a report, with intent or gross negligence, which proves to be unfounded and instrumental in the pursuit of defamatory purposes towards individuals or the Company. These violations are subject to the provisions of the Sanctioning System.

GADA ITALIA S.P.A. reserves the right to take any action against anyone who makes untruthful reports in bad faith.

7.8 The SB's reporting activity

In order to ensure its full autonomy and independence in the performance of its functions, the Supervisory Body reports directly to the Board of Directors and reports on the implementation of the Model and the

emergence of any critical issues through two lines of reporting:

- i. the first on an ongoing basis with regard to critical issues that require immediate intervention by the administrative body;
- ii. the second on an annual basis, to the Board of Directors (the report will also be sent for appropriate information to the Chairman of the Board of Statutory Auditors), through a written report that must indicate precisely the activity carried out during the year, both in terms of checks carried out and the results obtained and in relation to any need to update the Model.

The SB must also annually prepare a plan of activities planned for the following year, which identifies the main activities to be carried out and the areas that will be subject to verification.

The Supervisory Body may, in any case, carry out, within the scope of sensitive company activities and if it deems it necessary for the performance of its functions, controls not provided for in the intervention plan (so-called "controls not previously communicated")

The Body may request to be heard by the administrative body whenever it deems it appropriate to speak with said body; likewise, the SB is granted the right to request clarifications and information from the Board of Directors.

On the other hand, the Supervisory Body may be convened at any time by the Board of Directors to report on particular events or situations relating to the operation of and compliance with the Model.

The aforementioned meetings must be recorded and a copy of the minutes must be kept by the SB (as well as by the bodies involved from time to time).

8 RESOURCE TRAINING

8.1 Initial communication

The adoption and any variation of the Model is communicated to all Employees present in the company at the time of its approval.

New hires, on the other hand, are given an information set (e.g. CCNL, Organizational Model, Legislative Decree 231/2001, etc.), with which to ensure that they have the knowledge considered of primary importance.

8.2 Training and information for employees

Participation in training activities aimed at disseminating knowledge of the legislation referred to in the Decree, the Organization, Management and Control Model and the Code of Ethics is to be considered mandatory.

The training will take into account, in the contents and methods of delivery of the related courses, the qualification of the Recipients, the level of risk of the area in which they operate and the attribution or not

of representative functions.

Unjustified absence from training sessions is considered a disciplinary offence, in accordance with the provisions of the Sanctioning System set out below.

GADA ITALIA S.P.A. will provide for the implementation of training courses that will illustrate, according to a modular approach:

- the regulatory context;
- the Code of Ethics and the Organization, Management and Control Model adopted by the Company, including the Special Parts;
- the role of the Supervisory Body and the tasks assigned to it by the Company.

The Supervisory Body periodically supervises that the training programmes are of adequate quality and effectively implemented.

Training initiatives can be conducted through classroom courses, *online* training, specialized training, participation in events, *newsletters*.

8.3 Information to "Third Parties"

The Company requires knowledge and compliance with the Model and the Code of Ethics among the so-called "Third Parties", such as consultants, collaborators, suppliers, partners and other external parties operating on behalf of the Company.

The information is ensured through the dissemination of an official communication or with explicit reference within the contracts regarding the existence of the Model and the Code of Ethics or, again, the issuance of a declaration of acceptance of the Code of Ethics and the Model.

GADA ITALIA S.p.A. provides for the inclusion in the subcontracting contracts with third parties with which it operates of specific clauses that provide, in the event of non-compliance with the established ethical principles, the termination of the contractual obligations. In any case, third parties are always required to issue a declaration of acceptance of the Code of Ethics and the Model, specifying that, in the event of non-compliance with the ethical principles established by the aforementioned documents, the contract in place with GADA ITALIA S.p.A. will be terminated unilaterally with immediate effect.

9 DISCIPLINARY AND SANCTIONING SYSTEM

9.1 Function of the disciplinary system

The definition of a system of sanctions (commensurate with the violation and with adequate deterrent effectiveness) applicable in the event of violation of the rules referred to in this Model, makes the supervisory action of the SB effective and aims to ensure its effective implementation.

The definition of this sanctioning system constitutes, in fact, pursuant to art. 6, paragraph 1, letter e) of Legislative Decree 231/2001, an essential requirement of the Model itself for the purposes of exemption from the Company's liability.

The application of the sanctioning system and the related measures is independent of the course and outcome of the criminal proceedings that the judicial authority may have initiated in the event that the conduct to be criticised also constitutes a relevant offence pursuant to Legislative Decree 231/2001, as the rules of conduct imposed by the Model are adopted by the Company in full autonomy. regardless of the offence that any conduct may cause.

In addition, the disciplinary system must be adequately disseminated as an integral part of the implementation of the Model, through adequate information and training activities for the Company's Employees.

This chapter contains a description of the sanctioning measures adopted by the Company in the event of violation of the Model by the Recipients, in coordination with the disciplinary system referred to in the applicable National Collective Labour Agreement and in compliance with the procedures provided for by art. 7, Law no. 300 of 30 May 1970 (Workers' Statute).

In particular, in fact, the Company adopts:

- i. with regard to Employees, the sanctioning measures referred to in the internal sanctioning system;
- ii. with regard to the Corporate Bodies, the members of the SB and the Third Parties, the sanctioning system established by the contractual and legal provisions governing the matter, as better described in paragraphs 9.4 and 9.5 below, respectively

9.2 Violations of the Model and related penalties

The following behaviors that constitute violations subject to disciplinary assessment and the application of the consequent sanctions are punishable:

- the violation/partial application/circumvention of the rules of conduct referred to in Model 231 and/or the Code of Ethics;
- violations of internal procedures provided for by this Model or the adoption, in the performance of activities related to Sensitive Activities, of conduct that does not comply with the provisions of the Model, whether or not it exposes the company to an objective situation of risk of committing one of the Crimes;
- failure to participate, not adequately motivated, in the training relating to Model 231 and the Code of Ethics
- failure to cooperate, when required, with the Supervisory Body;
- failure to send information flows/reports pursuant to Model 231, when repeated and aimed at hindering the functions of the Supervisory Body;
- violation of the whistleblower protection measures provided for by Model 231;

- making reports with intent or gross negligence that prove to be unfounded.

The sanctioning system is subject to constant verification and evaluation by the Supervisory Body and the person in charge of human resources management, the latter remaining responsible for the concrete application of the disciplinary measures outlined herein upon any report from the Supervisory Body and after consulting the hierarchical superior of the perpetrator of the impugned conduct.

In the event that the conduct in question may constitute a relevant offence pursuant to Legislative Decree 231/2001, the activation of the disciplinary system takes place regardless of the conduct and outcome of any related criminal proceedings.

9.3 Measures against employees and managers

Conduct by Employees and Managers in violation of the individual rules of conduct deduced in this Model is defined as disciplinary offences and sanctioned as per the company's sanctioning system.

9.4 Measures against the Board of Directors

In the event of violation of the Model by the Board of Directors, the SB shall convene the Shareholders' Meeting in order to adopt the most appropriate measures provided for by law.

In addition, at the time of the appointment of the new Board of Directors, the latter must sign a unilateral commitment to comply with the obligations set out in the Model as well as a commitment to resign, renouncing his remuneration for the current financial year, in the event of a conviction, even in the first instance, for one of the Crimes.

9.5 Measures against the SB

In the event of a violation of this Model by one or more members of the SB, the other members of the SB will inform the Board of Directors, which will take the appropriate measures including, for example, the revocation of the appointment of the members of the SB who have violated the Model and the consequent appointment of new members to replace them or the revocation of the appointment of the entire body and the consequent appointment of a new SB.

9.6 Measures Against Third Parties

Contracts with Third Parties must contain a specific clause that regulates the consequences of their violation of the rules referred to in the Decree (for example, the termination of the contractual relationship or any other contractual sanction specifically provided for, without prejudice to any request for compensation, if such conduct results in concrete damage to the Company, as in the case of application by the judge of the measures provided for by the Decree).

Any violation by Third Parties of the rules set out in this Model applicable to them or the commission of Crimes is sanctioned in accordance with the provisions of the specific contractual clauses included in the relevant contracts.

This is without prejudice to any claim for compensation if such conduct causes concrete damage to the Company, as in the case of application to the same by the judicial authority of the measures provided for by Legislative Decree 231/2001.

Sanctions against Third Parties are entrusted to the function that manages the relevant contract.

This category of disciplinary sanctions also includes persons who collaborate with the Club, even for a limited period of time.

10 PERIODIC CHECKS ON THE ADEQUACY OF THE MODEL

The Organisational Model will be subjected during the year to compliance checks that provide for the analysis and control of specific areas of company activity considered at risk. Furthermore, during the year, in order to confirm the validity of the Model, the list of corporate areas at risk of crime will be updated.

On the basis of these checks, a report will be prepared to be presented to the Administrative Body of the Companies that highlights the problems encountered and identifies the corrective actions to be taken in agreement with the SB.

The Model will be subject to two types of verifications:

1. checks on the deeds: the Supervisory Body will continuously verify the deeds, and the most important contracts concluded in areas of activity recognized as at risk;
2. checks on procedures: the Supervisory Body will periodically verify the effectiveness of the Model.

In addition, an analysis will be carried out of any reports received, the actions taken by the Supervisory Body and other interested parties, the facts considered at risk, the awareness of the staff with respect to the hypotheses of crime provided for by Decree 231, also with sample interviews.

On the basis of these checks, a report will be prepared that highlights the problems encountered and identifies the corrective actions to be taken.

11 THE MODEL AND THE CODE OF ETHICS

The rules of conduct contained in this Model are integrated with those of the Code of Ethics, although the Model presents a different scope than the Code of Ethics for the purposes it intends to pursue in implementation of the provisions set out in the Decree.

From this point of view, in fact:

- the Code of Ethics represents an instrument adopted autonomously and susceptible to general application by the companies in order to express ethical principles that the Company recognizes as its own and on which it calls for compliance by all Recipients;
- the Model, on the other hand, responds to specific provisions contained in the Decree, aimed at

preventing the commission of Crimes (for acts that, possibly committed in the interest or to the advantage of the company, may entail administrative liability of the Company on the basis of the provisions of the Decree itself).

12 PRINCIPLES OF THE MODEL

12.1 The General Control Units

In preparing this Model, account has been taken of the procedures and control systems already operating within the Company, identified during the analysis of the Sensitive Activities, to the extent that they have been considered suitable also as measures for the prevention of Crimes and control over the processes involved in the Sensitive Activities.

The following are the general safeguards, which are provided for as an essential part of the Model and must always be applied and respected with reference to all the Sensitive Activities taken into consideration by the Special Part of Model 231:

12.1.1 Segregation

The performance of Sensitive Activities must be based on the principle of segregation of functions: the person who takes the decision, the person who authorizes it, the person who implements it and the person who is entrusted with the control of the process must be different as far as possible. The separation of duties must be ensured by the intervention of several subjects within the same process and can be implemented through the use of computer systems that allow only specific identified and authorized persons to carry out certain operations. Where the separation of duties cannot be fully ensured, compensatory controls are provided.

This supervision aims to prevent an Employee from being able to hide errors or irregularities relating to an operation committed in the performance of his or her duties, without other colleagues engaged in the same operation finding the error or irregularity, with the fundamental consequence that an irregularity could only occur in the event of collusion between two or more managers.

12.1.2 Traceability and archiving

All Sensitive Activities must be organised in such a way as to ensure document traceability and ex post verifiability of each relevant step of the process, as well as the correct and documented archiving and storage of the relevant documentation in relation to each process, by means of computer and/or paper supports.

This supervision aims to ensure that all company operations are authorized at a predefined level and that they are supported by adequate documentation, such as to ensure the transparency of the operations themselves and to facilitate their verification at all times.

12.1.3 Financial flow management and control system

The Company adopts a management control system and a cash flow control system.

The management of financial flows is carried out in compliance with the principles of traceability and documentability of the transactions carried out, as well as consistency with the powers and responsibilities assigned.

The management control system is divided into the different phases of preparation of forecast budgets, monitoring of compliance with budgets and periodic final balance with control over the corresponding budgets.

The system guarantees:

- the plurality of the parties involved, in terms of appropriate segregation of the functions for the processing and transmission of information, so as to ensure that all disbursements are requested, authorised, carried out and controlled by independent functions or by subjects that are as distinct as possible, or in any case managed through IT systems that guarantee such separation;
- the presence of particular levels of authorization for the use of liquidity for amounts exceeding predetermined levels;
- the ability to provide timely reporting of the existence and occurrence of critical situations through an adequate and timely system of information flows and reporting.

12.1.4 Remuneration system

The remuneration and incentive system for all the Company's Employees and for those who, although not employees, operate under mandate or in the interest of the Company must be:

- designed and managed with the aim of remunerating the role held, taking into account the responsibilities assigned and the skills and abilities demonstrated as well as a timely risk assessment;
- aimed at rewarding the results obtained by taking into account the conduct put in place to achieve them, informed in full compliance with current legislation, the Code of Ethics, the Model and internal procedures.

12.1.5 Controls and monitoring

The Model provides for the performance of verification activities (periodic or ad hoc) in relation to each Sensitive Activity and the monitoring of the performance of the activities in accordance with the provisions of the Model (also in coordination between different company structures).

12.1.6 Contract clauses

Each contract of the Company that regulates the performance of a Sensitive Activity must be equipped with specific clauses that provide: i) the declaration by the counterparty that it is aware of and undertakes to comply with the principles contained in the Company's Code of Ethics and Model 231; ii) the right of the Company to terminate the contracts in question in the event of breach of these obligations.

12.1.7 Occupational health and safety control system

Together with the Model, the Company has adopted, manages and updates an adequate management system for Health and Safety in the workplace in compliance with the requirements of Legislative Decree 81/2008 and other applicable regulations.

The system reports to the Employer and to the key figures of the organization dedicated to health and safety compliance: the Head of the Prevention and Protection Service, the Competent Doctor, the first aid officers and the firefighting and evacuation officers.

The basis of the health and safety control system is the DVR (Risk Assessment Document), prepared pursuant to Legislative Decree no. 81 of 9 April 2008, as amended, which provides a global and documented assessment of all risks to the health and safety of workers, defines the appropriate prevention and protection measures and the planning of actions to ensure the improvement over time of health and safety levels. security.

Specifically, the Company's DVR is the result of a specific assessment of all the safety and health risks to which workers are exposed.

On the basis of this assessment, the following were then defined:

- the prevention and protection measures and personal protective equipment to be adopted;
- the programme of measures deemed appropriate to ensure the improvement of safety levels over time;
- the identification of the procedures for the implementation of the measures to be implemented, as well as the roles of the company organization that must provide for them, to which only persons with adequate skills and powers must be assigned;
- the identification of tasks that may expose workers to specific risks that require recognized professional ability, specific experience, adequate education and training.

As part of the DVR, the work activities carried out by the Company have been mapped and for each activity the individual phases to which they are associated have been defined:

- machines and equipment used;
- dangerous chemical agents;
- raw materials, waste or other.

The risks have been attributed to each individual phase:

- deriving from the presence of the operator in the work environment;
- induced on the worker by the external environment;

- resulting from the use of machinery and equipment;
- associated with the use of substances, mixtures or materials hazardous to health.

The operating methods, technical devices and suitable measures to obtain an acceptable degree of safety have also been identified and assessed, and the residual risks that are still present even after the implementation of these methodologies, expedients and measures have also been identified and assessed.

12.2 Protocols

The Control Protocols provide for special provisions aimed at regulating and controlling each of the Sensitive Activities and are contained in the Special Part of Model 231, to which reference is made.

In addition to the general safeguards described above, the adoption of specific Protocols is envisaged that define the rules of conduct and controls associated with each of the Sensitive Activities of the Special Part.

The Protocols form the Special Part of Model 231.

13 DOCUMENT REVISION STATUS

REV	DATE	DESCRIPTION
13	01/09/2025	Amendment to Par.7.1 Identification of the Supervisory Body. 7.5 Rules of convocation and operation. Insertion of the DOCUMENT REVISION STATUS section. Change of company name from PALEX ITALIA S.p.A. to PALEX HEALTHCARE GROUP ITALIA S.p.A.