



DAIKIN APPLIED EUROPE S.p.A.

**Summary Document
relating to
ORGANISATION, MANAGEMENT AND
CONTROL MODEL**

in accordance with Legislative Decree of 8 June 2001 no. 231

GENERAL SECTION

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1. LEGISLATIVE DECREE OF 8 JUNE 2001 NO. 231

1.1. *The framework for administrative liability of entities*

The entry into force of Legislative Decree of 8 June 2001, no. 231 (hereinafter also referred to as "**Legislative Decree no. 231/2001**" or "**Decree**"), governing the "*Administrative liability of legal persons, companies and associations, including those without legal personality*", marked a moment of significant innovation in our legal system.

For the first time, a form of **direct liability** of legal persons is provided for, completely independent from the personal and criminal liability of the offender¹, which is in addition to and does not replace it.

Although it is a type of liability defined by the legislator as "*administrative*", it can be defined as **essentially criminal** in view of the connection with the commission of an offence (which is its primary prerequisite), the severity of the penalty system (which provides for both fines and disqualifying penalties, also applicable as a precautionary measure), and the procedural methods of its ascertainment (the investigation is referred to the criminal court and follows the rules of a criminal trial).

In particular, the liability in question arises if an offence is committed, in the "*interest*" or "*benefit*" of the entity, by persons within the corporate organisation and, in particular, pursuant to Article 5 of the Decree:

- 1) "*by individuals with the role of representing, administering or managing the entity or one of its organisational units with financial and functional independence, as well as individuals who, even on a de facto basis, exercise management and control of the entity*" (so-called **individuals in senior positions**);
- 2) by natural persons "*subject to the direction or supervision*" of the persons referred to above (so-called **subordinates**).

However, the entity is not held liable for any offence committed by the aforementioned persons, but only for the hypotheses expressly indicated in the Decree in Articles 24 et seq, i.e.:

- Misappropriation of funds, fraud against the State, a public body or the European Union or for the purpose of obtaining public grants, computer fraud against the State or a public body and fraud in public procurement (Article 24);
- Cyber crimes and illegal processing of data (Article 24 *bis*);
- Organised crime offences (Article 24 *ter*);
- Embezzlement, extortion, undue inducement to give or promise benefits, bribery and abuse of office (Art. 25);
- Counterfeiting of money, public credit paper, revenue stamps and identification instruments or signs (Art. 25 *bis*);
- Offences against commerce and industry (Art. 25 *bis.1*);
- Corporate offences (Art. 25 *ter*);
- Offences for the purposes of terrorism or subversion of democratic order (Art. 25 *quater*);
- Mutilation of female genital organs (Art. 25 *quater.1*);
- Offences against the individual (Art. 25 *quinquies*);
- Market abuse (Art. 25 *sexies*);

¹ So much so that it arises and remains regardless of whether the perpetrator is identified, punishable or punished.

- Offences of homicide or serious or very serious injury committed in breach of occupational health and safety regulations (Art. 25 *septies*);
- Receiving, laundering and using money, goods or benefits of illicit origin and self-laundering (Art. 25 *octies*);
- Offences concerning non-cash payment instruments (Art. 25 *octies*.1);
- Offences related to copyright infringement (Art. 25 *novies*);
- Inducement to not make statements or to make false statements to the Court (Art. 25 *decies*);
- Environmental offences (Art. 25 *undecies*);
- Employment of illegal third-country nationals (Art. 25 *duodecies*);
- Racism and Xenophobia (Art. 25 *terdecies*);
- Fraud in sporting competitions, illegal gaming or betting and gambling by means of prohibited devices (Art. 25 *quaterdecies*);
- Tax offences (Art. 25 *quinquiesdecies*);
- Smuggling (Art. 25 *sexiesdecies*);
- Offences against the cultural heritage (Art. 25 *septiesdecies*);
- Laundering of cultural goods and devastation and looting of cultural and landscape assets (Art. 25 *duodevicies*);
- Transnational offences under Law no. 16 March 2006, no. 146.

Administrative liability also arises in relation to offences committed **abroad**, providing in these cases that entities, which have their head office in our State, are liable for the offences specified in the Decree, provided that the State of the place where the offence was committed does not prosecute them.

The **system of penalties** against the entity for the commission of the offences listed above provides for the application of the following penalties:

- *fines*, imposed whenever the liability of the entity is established and applied in instalments;
- *disqualifying penalties*, such as (i) disqualification from engaging in business activities; (ii) suspension or revocation of authorisations, licences or concessions instrumental to the commission of the offence; (iii) prohibition from contracting with the P.A., except to obtain the performance of a public service; (iv) the exclusion from benefits, financing, contributions or subsidies and the possible revocation of those already granted; (v) the prohibition to advertise goods or services. They may only be imposed if the precise conditions set out in the Decree are met and, generally, have a duration of no less than three months and no more than two years;
- the *confiscation*, which affects the price or profit of the offence (i.e. sums of money, goods or other utilities of equivalent value) that are acquired by the State. This measure is always ordered following conviction of the entity, except for the part that may be returned to the injured party;
- the *publication of the conviction*, a purely optional penalty, which may only be imposed once against the entity, together with the application of a disqualification measure. This shall be effected by posting it in the municipality where the entity has its head office as well as by publication on the website of the Ministry of Justice.

1.2. The adoption of the organisation, management and control model as an exemption from liability under the Decree

The adoption of the organisation, management and control model is optional, but becomes de facto necessary when entities wish to benefit from the exemption system (i.e. "Exempting System") provided for by Legislative Decree no. 231/2001.

Indeed, if the offence was committed by **individuals in senior positions**, exoneration from such liability follows from proof of the following circumstances:

- a) the entity's management body adopted and effectively implemented suitable "*organisation and management models*" to prevent the type of offence that occurred, before the offence was committed;
- b) the task of supervising the functioning of the aforementioned models has been entrusted to a special body of the entity, endowed with autonomous powers of initiative and control (the so-called Supervisory Body);
- c) the offenders engaged in the offending conduct by fraudulently circumventing the organisation and management models in place;
- d) there was no omitted or insufficient supervision by the Supervisory Body.

Therefore, in the case at hand, the guilt of the entity is presumed to exist until proven otherwise, the burden of proving the absence of guilt being on the entity itself (so-called reversal of the burden of proof).

In the different case where the offence was committed by **subordinates** (i.e. by persons subject to the direction or supervision of others), the entity is liable only if the commission of the offence was made possible by its failure to comply with its direction and supervision obligations. And, in any case, such non-compliance is deemed inapplicable if the entity, prior to the commission of the offence, adopted and effectively implemented an organisation, management and control model capable of preventing offences of the kind committed.

In this case, it is for the Public Prosecutor to prove the breach of management or supervisory obligations by non-senior management individuals and the failure to adopt, or the ineffective implementation of, the organisational model.

For the validity of the *Exempting System*, the organisational model, by express provision of the Decree, must meet the following requirements:

- identify the areas of risk in which offences may be committed;
- provide for appropriate protocols to implement the entity's decisions in relation to the offences to be prevented;
- outline a specific financial resource management plan;
- prescribe the obligations of disclosure to the Supervisory Body;
- establish disciplinary penalties for breaches of the model adopted by the entity.
- provide for specific measures with reference to the Whistleblowing system.

For an in-depth examination of the regulations set out in the Decree and of the main problematic issues, of an interpretative and applicative nature, connected to the types of offences referred to above, please refer to the *Commentary on Legislative Decree no. 231/2001* (see Annex no. 2).

2. THE GOVERNANCE MODEL AND THE ORGANISATIONAL STRUCTURE OF DAE

2.1. Description of DAE's activity

Daikin Applied Europe S.p.A. (hereinafter also referred to as "**DAE**" or the "**Company**"), is the European leader in *Heating Ventilation and Air Conditioning* (HVAC) and in the market for the manufacture, sale and technical support of heating, ventilation and air conditioning and refrigeration products in Europe, the Middle East and Africa.

DAE is present in Italy with a registered office and production site in Ariccia (RM) and with two operating sites, since 2008 and since 2018, in Caleppio di Settala (MI) and Vicenza.

Since 2006, the Company has been part of the multinational Daikin Industries Ltd. Group, headquartered in Osaka, and is a wholly owned subsidiary of Daikin Holdings America Inc.; it also controls Daikin Applied Germany GmbH and exercises coordination activities with respect to Daikin Applied UK Ltd.

2.2. The DAE Governance Model

DAE has adopted a so-called traditional administration and control system, based on the presence of two bodies appointed by the Shareholders' Meeting: the *Board of Directors*, with functions of strategic supervision and management of the company, and the *Board of Statutory Auditors*, with functions of control over the administration.

The statutory audit of the accounts is entrusted to an *Auditing Company*, in application of the relevant laws and regulations in force.

The governance structure and the overall organisational set-up are in line with the objective of maximising management efficiency and creating increasing value for all DAE shareholders.

Shareholders' Meeting

The *Shareholders' Meeting* is the body that represents the interests of the whole of the shareholders and expresses, through its resolutions, the will of the company.

The *Shareholders' Meeting* is empowered to pass resolutions in ordinary or extraordinary session, with the constituent and resolving quorums provided by law, in consideration of the specific matters to be dealt with.

The *Ordinary Shareholders' Meeting* approves, among other things, the financial statements and resolves on the distribution of profits, appoints the Directors and Statutory Auditors and appoints the *Auditing Company* to audit the accounts and determines their remuneration. It also decides on remuneration and incentive policies in accordance with current legislation.

The *Extraordinary Shareholders' Meeting* is empowered to pass resolutions, among other things, on amendments to the Articles of Association, capital increases, mergers and demergers (except in the cases provided for in Articles 2505, 2505 *bis* and 2506 *ter* of the Civil Code).

Board of Directors

The *Board of Directors*, pursuant to the Articles of Association, is the body that holds, within the scope of the corporate purpose, all the rights and powers necessary for the achievement of the corporate purposes and for the ordinary and extraordinary management.

The Company is administered by a *Board of Directors* consisting of a variable number of Directors from three to seven, elected by the *Shareholders' Meeting*.

The operating procedures and powers of the Administrative Body are governed by specific regulations, adopted by the *Board of Directors* in compliance with the provisions of the law, the regulations and the Articles of Association.

Board of Statutory Auditors

The *Board of Statutory Auditors* is DAE's auditing body and consists of three (3) full members and two (2) alternates.

The *Board of Statutory Auditors* performs the functions assigned to it by law or other applicable regulations.

Supervisory Body

The *Supervisory Body* is established pursuant to Article 6, paragraph 1, subpar. *b)*, of Legislative Decree no. 231/2001.

Auditing Company

The *Auditing Company* is the company's external auditing body entrusted with the legal auditing. In particular, the *Auditing Company* is required to verify, during the course of the financial year, the regularity of the company accounts and the correct recording of accounting events in the accounting records, as well as to express an opinion on the financial statements and the consolidated financial statements in a special report.

2.3. The organisation of DAE

The corporate organisational structure is depicted in the *Organizational Chart of Daikin Applied Europe S.p.A.* This document is periodically updated following changes in the workforce and/or in the roles and duties involved.

The Company has also defined and formalised a system of proxies and powers of attorney for the various corporate functions.

In this last regard, specific delegations of functions were granted by the *Employer* and are still operational pursuant to Article 16 of Legislative Decree no. 81/2008 on occupational health and safety protection, in relation to the various DAE activities and facilities.

Pursuant to the delegation, the *Delegate*, with reference to the assigned responsibilities, shall and may perform any and all acts and perform all functions to directly provide for whatever is deemed necessary and useful for accident and fire prevention, as well as for occupational health and safety and for the ongoing compliance and adaptation to the regulations and rules of good practice in force and in the future.

3. THE ORGANISATION, MANAGEMENT AND CONTROL MODEL OF DAE

3.1. The aims and guiding principles of the OMCM (Organisation, Management and Control Model)

DAE, sensitive to the need to ensure conditions of fairness and transparency in the conduct of company business and activities, has deemed it appropriate to design and implement this Organisation, Management and Control Model pursuant to Legislative Decree no. 231/2001 (hereinafter referred to as "**OMCM**" or "**Model**"), in order to protect its image, the expectations of its owners and the work of its Employees.

The objective pursued by the Company in preparing the *Model* is, therefore, to create a structured and organic system of procedures and control activities, aimed at progressively reducing the risk of predicate offences being committed through the identification of the processes considered most "*sensitive*" and their proceduralisation.

This *Model* takes into account and complies:

- with the directions contained in the Decree;
- the *Guidelines for the construction of organisation, management and control models under Legislative Decree no. 231/2001* prepared by Confindustria, and last updated in June 2021;
- Article 30 of Legislative Decree no. 81/2008 as amended (so-called Safety Consolidated Law);
- to the provisions of Legislative Decree no. 24/2023 on Whistleblowing;
- the *Code of Ethics*², which expresses the ethical principles and responsibilities that DAE expressly assumes towards the stakeholders it interacts with while doing business;
- with the principles of corporate governance, procedures, policies, regulations, manuals and the Articles of Association, existing within the Company and, where relevant, the Group.

3.2. The establishment of the "Exempting System" pursuant to Leg. Dec. no. 231/2001

The following is a brief description of the main stages in the development of the *Exempting System* that led to the preparation, updating and implementation of this *Model*:

- 1) *Identification of sensitive processes*: in the first phase of the project's development, an in-depth analysis of all the Company's processes was carried out, with the specific intent of identifying "at risk" or sensitive processes, insofar as they are exposed to the possible commission of offences under Legislative Decree no. 231/2001. All company documentation was examined, the interaction between the various management processes was analysed, and an analysis of individual processes was carried out through multiple interviews with the heads of the processes/areas deemed to be at risk. A survey of past DAE activity was also completed, in order to verify the existence of any risk situations and their causes;
- 2) *Adaptation of the existing control system*: after taking a snapshot of the company organisation (existing controls and procedures in relation to sensitive processes) and in relation to the express purposes set out in the Decree, the appropriate improvements to be made to the current company management and control system were defined in order to bring it into line with the requirements of Legislative Decree no. 231/2001. Consequently, existing procedures were adapted and the necessary protocols defined to ensure compliance with the requirements of the Decree;
- 3) *Preparation of the OMCM*: this document, as updated and supplemented over time, taking into account both the organisational changes that have taken place in the meantime at the corporate level and the legislative measures that have introduced new offences within the

² The current edition of the Company's *Code of Ethics* approved by the *Board of Directors* of DAE on 26 April 2021 is consistent with the Code of Ethics adopted by the Parent Company and in line with the *Daikin Group Conduct Guidelines*.

range of types of predicate offences and the new whistleblowing system, constitutes the representation of the *Exempting System* defined by DAE.

The preparation and subsequent revising and updating of the *Model* took account of the control systems and procedures already in place and operating in the Company, insofar as they are also suitable to serve as offence prevention and control measures for the processes involved in the areas at risk of offences being committed.

3.3. The structure of the OMCM

The DAE Model consists of a *General Section* and a *Special Section*.

The *General Section*, consisting of this document, describes the contents and impacts of Legislative Decree no. 231/2001, the basic principles and objectives of the *Model*, the tasks of the *Supervisory Body*, the procedures for adopting, disseminating, updating and applying the contents of the *Model*, and the disciplinary system.

The *Special Section* has the purpose of defining the principles of conduct and the management rules to be followed by all Recipients in order to prevent, within the scope of the corporate processes considered "at risk", the commission of the offences considered relevant, as well as to ensure conditions of fairness and transparency in the conduct of such business.

The following documents are **annexed** to the *Model*:

- 1) the *Code of Ethics* (Annex no. 1);
- 2) *Omissis*
- 3) *Omissis*

All Recipients shall behave in compliance with the provisions contained not only in this *Model* (General Section, Special Section and Annexes), but also in the documents that complete the internal control system adopted by the Company to prevent relevant offences pursuant to Legislative Decree 231/2001:

- the Articles of Association;
- the applicable internal or Group rules (policies, regulations, organisational procedures, work instructions)³;
- the system of powers (powers of attorney and proxies) and organisational provisions in place.

The various elements of DAE's internal regulations must be defined consistently with and in compliance with the principles and control elements expressed in this *Model*.

3.4. Approval, amendments and additions to the OMCM

Since the *Model* is an "*act issued by the Management Body*", in accordance with the requirements of the Decree, its adoption is the responsibility of the *Board of Directors* of DAE. *Omissis*

³ In particular, please note:

- *Omissis*

Recipients of the OMCM

The rules contained in DAE's *Model* apply to those who perform, even de facto, functions of representation, administration, management or control, towards all employees, to the Company's employees even if seconded abroad for the performance of activities, as well as to external parties subject to management and control, by virtue of specific contractual agreements.

The *Model* shall also apply, within the limits of the existing relationship, to those who, although not belonging to the Company, operate in its name and/or behalf or are in any case linked to it by legal relationships relevant to the possible definition of the offences contemplated by Legislative Decree no. 231/2001.

Subsidiaries are obliged to comply with the contents and principles expressed in this *Model* of DAE, when acting on behalf of DAE.

In preparing their own organisation, management and control model pursuant to the legislation in question, the subsidiaries shall comply with the principles and contents of this *Model*, unless there are specific situations relating to the nature, size or type of business, the corporate structure, the organisation of internal delegations of authority, which impose or suggest the adoption of different measures in order to more rationally and effectively pursue the objectives set out in the OMCM, while safeguarding the underlying principles of the latter, of the *Code of Ethics* and of the Group.

All the above-mentioned persons (hereinafter also referred to as "**Recipients**") are required to comply with the provisions of the *Model* and all procedures for its implementation, as well as with applicable internal and external regulations, with fairness and diligence.

3.5. The OMCM and the DAE Code of Ethics

The rules of conduct contained in the OMCM complement those of the *Code of Ethics* adopted by the Company as well as the fundamental principles of internal control, although this *Model* has a different scope from the *Code* for the purposes it intends to pursue.

While the *Code of Ethics* is an instrument that can be generally applied and has been adopted independently by DAE in order to express the principles of "corporate ethics" and internal control that the Company itself recognises as its own and which it requires all its Employees to comply with, the *Model* is inspired by a broader requirement, in that it represents the synthesis between the Company's intention to equip itself with organisational and management modules, such as to ensure conditions of fairness and transparency in the conduct of business and corporate activities, and compliance with the provisions of the Decree, aimed, as we have seen, at raising awareness among companies of the need to adopt corporate policies preventing conduct potentially capable of producing negative legal consequences to the detriment of entities.

The last update of DAE's *Code of Ethics* is consistent with the *Daikin Group Conduct Guidelines* and aligned with it.

4. THE SUPERVISORY BODY

4.1. Requirements of the Supervisory Body

Pursuant to Article 6, paragraph 1, subpar. b), of Legislative Decree no. 231/2001, a body with supervisory and control functions, known as the *Supervisory Body*, is established at DAE with regard to the functioning, effectiveness, adequacy and observance of the *Model*.

In exercising its functions, the *Supervisory Body* meets the requirements of:

- a) *autonomy: Omissis*
- b) *independence: Omissis*
- c) *professionalism and integrity: Omissis*
- d) *continuity of action: Omissis*

The *Supervisory Body* has the power to adopt its own Regulation in order to regulate the aspects relating to the operating procedures of its functioning, including the procedures for convening and conducting meetings, the validity of meetings, the planning of activities, the determination of the time intervals of audits and the identification of controls and analysis procedures.

4.2. Composition, appointment and duration of the Supervisory Body

The *Supervisory Body* is appointed by a resolution of the *Board of Directors* which, in the same resolution, decides on the composition, number and qualification of its members, the duration of the appointment and determines the financial resources (budget) that the *Body* may use to perform its functions autonomously and without the need for prior authorisation by senior management.

In the same resolution appointing the *Supervisory Body*, the *Board* shall also define the members' remuneration.

The *Supervisory Body* established in DAE has a collegial composition.

4.3. Appointment requirements and grounds for ineligibility and disqualification

Omissis

4.4. Resignation, revocation and replacement

Omissis

4.5. Duties and powers of the Supervisory Body

The *Supervisory Body* has the following duties:

Verification and supervision of the Model

Omissis

Updating the Model

Omissis

Information and training on the Model

Omissis

Management of information flows (on this point, see Chapter 6)



Whistleblowing (on this point, see Chapter 7)

Omissis

4.6. Collection and storage. Confidentiality obligations and guarantee of privacy.

Omissis

5. THE DAE INTERNAL CONTROL SYSTEM

Article 6 of Legislative Decree no. 231/2001 states that the entity's internal control system must be defined in relation to the offences to be prevented:

- specific protocols for planning the formation and implementation of the entity's decisions;
- methods of managing financial resources suitable for preventing the commission of offences.

Therefore, as part of the activities aimed at defining the *Model*, DAE has identified the control measures and principles that must govern its operations in the context of the management and operational processes related to the identified "*at risk of offence*" areas.

More precisely, the following are identified:

- *general or cross-company prevention protocols*, i.e. the general control principles underlying the tools and methodologies used to structure the specific control elements;
- *specific prevention protocols*, i.e. control procedures that constitute control guidelines under Legislative Decree no. 231/2001 on the process, and which may be further developed and completed in other internal regulatory sources (regulations, policies, organisational procedures, work instructions).

An internal control system is also in place to monitor that the above-mentioned prevention protocols are effectively implemented within the Company.

5.1. General or cross-company prevention protocols

The *general protocols* have also been defined in consideration of the most recent directions provided by the main trade associations, case law and doctrine, in the following terms.

Standards of behaviour and codes of conduct

DAE ensures the dissemination of a *Code of Ethics* describing general rules of conduct to protect its activities.

In particular, the Company imposes an express prohibition on all Recipients to:

- initiate, collaborate in or cause the commission of conduct such that, taken individually or collectively, it directly or indirectly constitutes the types of offences referred to in Legislative Decree no. 231/2001;
- engage in, collaborate in or induce conduct which, although not constituting an offence per se, may potentially become one.

It is the priority objective of the Company to prevent the occurrence of illegal conduct or conduct that does not comply with the *Code of Ethics* and, if it occurs, to put an end to any such conduct as quickly and reasonably as possible, also by adopting, where applicable, the appropriate disciplinary measures.

Authorization and signature powers

Omissis

Internal procedures and standards

Omissis

Separation of duties

Omissis

Documentability and traceability

Omissis

Conflict of Interest

Those involved in DAE's processes are required to avoid any situation and activity in which a conflict of interest with the Company may arise or which may tend to interfere (or appear to have the potential to interfere) with the employee's or associate's ability to act in accordance with their duties and responsibilities that summarise the primary interest to be fulfilled in full compliance with the principles and contents of the *Code of Ethics* and of this *Model*.

Any person who, even potentially, finds himself in a situation of conflict of interest is obliged to disclose it and, without prejudice to the power expressed by law, to refrain from participating in the adoption of decisions or in activities that may involve a material interest, in accordance with the criteria, times and procedures dictated by specific internal provisions. *Omissis*

The person shall, however, abstain in any other case in which there are serious reasons of advantage.

Disclosure of confidential data, information and business documents

Omissis

5.2. Specific prevention protocols

The *Special Section* of the *Model*, which is referenced, indicates the individual macro-areas and the relevant processes considered to be "at risk", for which specific control standards have been defined, considered to be suitable for preventing the commission of the offences provided for in the Decree.

5.3. Levels of Internal Control

Omissis

6. DAE'S REPORTING SYSTEM

6.1. Information flows to the Supervisory Body

Omissis

Communications from the Board of Statutory Auditors

The **Board of Statutory Auditors** also has the power to transmit information flows on an ad hoc basis to the *Supervisory Body*, if it detects deficiencies and breaches that are relevant to the adequacy and effectiveness of the *Model*, as well as any facts or anomalies found, which fall within the scope of the processes considered sensitive for the commission of the predicate offences.

Save for justified exceptions, any communication to the *Supervisory Body* must be made in writing and transmitted by email to: odv231@daikinapplied.eu.

6.2. Information flows from the Supervisory Body to Senior Management and the Board of Statutory Auditors

Omissis

7. THE WHISTLEBLOWING SYSTEM

In accordance with the provisions of the applicable legislation on Whistleblowing, DAE has intended to regulate the process of receiving, analysing and processing reports, sent or transmitted on facts and conduct deemed unlawful or irregular, concerning operational and organisational events of the Company, through the adoption of a specific procedure (Whistleblowing Policy), which is an integral part of this *Model*.

Without prejudice to the reference to the above procedure, the Whistleblowing System adopted by DAE requires all Recipients to report to the *Supervisory Body*, the violations envisaged by the *Legislative Decree 24/2003 (behaviours, acts or omissions that harm the public interest or the integrity of the private entity) and which consist of – as far as relevant - in any alleged unlawful conduct relevant under Leg. Dec. 231/2001 or breaches of the Model of which they have become aware, directly or indirectly, and even accidentally, in the course of their duties.*

Therefore, any conduct/act liable to undermine the integrity of the Company that constitutes, even potentially:

- a) unlawful conduct constituting one or more offences from which the Company may incur liability under the Decree;
- b) conduct that, although not constituting an offence, has been committed in breach of the provisions of the *Model* (and of the relevant protocols), of DAE's internal regulations and of the *Code of Ethics*.

In this regard, however, it is worth remembering that:

- the adoption of discriminatory measures against the whistle-blower may be reported to the competent authorities;
- the retaliatory or discriminatory dismissal of the whistle-blower, as well as the change of duties and any other retaliatory or discriminatory measures taken against them,⁴ shall be null and void.

Within the framework of its disciplinary system, the Company provides for penalties against those who violate the measures relating to the obligation of confidentiality, as well as against those who make reports that turn out to be unfounded, false, malicious, defamatory with wilful misconduct or gross negligence (in case of ascertainment in court of criminal liability for defamation or slander carried out through the whistleblowing), and against those who retaliate against or obstruct (or attempt to obstruct) the whistle-blower's report, as well as against the people in charge of receiving and managing the reports who has failed to carry out the analyses on the report received.

⁴ In the context of judicial or administrative proceedings or out-of-court disputes concerning the ascertainment of conduct, acts or omissions prohibited under current whistleblower protection legislation, it shall be presumed that such conduct, acts or omissions were committed as a result of the whistleblowing. The burden of proving that such conduct or acts are motivated by reasons unrelated to the whistleblowing lies with the person who has carried them out.

8. TRAINING AND COMMUNICATION

In order to effectively implement the requirements set forth in Legislative Decree no. 231/2001, DAE ensures the dissemination and awareness of the behavioural principles and management and organisational control measures implemented in the *Model* and *Code of Ethics* both within and, as far as possible, outside the Company.

In particular, DAE undertakes to make these documents available and accessible on the company *intranet* and/or on the company website, entrusting to the *Supervisory Body*, with the support of *Human Resources*, the task of promoting and disseminating knowledge, understanding and awareness thereof to all Recipients.

Omissis

External associates, customers, suppliers and partners shall be informed, through publication on the website or through other appropriate means, of the content of the *Model* and *Code of Ethics*, even if only for the parts deemed relevant, and of DAE's requirement that their conduct comply with the provisions and principles therein.

9. THE DAE DISCIPLINARY SYSTEM

Preamble

In order to ensure the effective implementation of the *Model* and *Code of Ethics*, DAE has defined a system of penalties that will be applied in the event of breach of the behavioural and procedural rules established therein.

In addition to making the action carried out by the *Supervisory Body* efficient, the definition of disciplinary measures aims at ensuring the effectiveness of the *Model* itself (Article 6, paragraph 1, subpar. e) of the Decree).

The application of the disciplinary system and of the relevant penalties is independent of the conduct and outcome of the criminal proceedings that the Court may have commenced in the event that the conduct to be sanctioned has also carried out one of the predicate offences provided for by Legislative Decree no. 231/2001.

The type and extent of the penalty vary depending on the following factors:

- a) subjective element of the conduct, i.e. depending on whether the conduct was characterised by intent, fault, negligence or malpractice;
- b) relevance of the breached obligations or possible repetition of the non-compliant conduct;
- c) level of hierarchical and/or technical responsibility held by the perpetrator of the conduct subject to penalty;
- d) any sharing of responsibility with other persons who have concurred in the breach of the rules set out in the *Model*;
- e) presence of aggravating or mitigating circumstances, with particular regard to professionalism, previous work performance, disciplinary record, and the circumstances in which the act was committed;
- f) level of risk to which the Company may be deemed to be exposed as a result of the ascertained irregular conduct.

In accordance with the provisions of Legislative Decree no. 231/2001, the penalties provided for in the following paragraphs shall be applied, according to their severity, against Company Personnel who commit the following offences (hereinafter “Offences”):

- failure to comply with the provisions of the *Model*, procedures or the *Code of Ethics* and legal regulations;
- failure to comply with the procedures for documenting, storing and checking documents;
- failure to train and/or update and/or communicate to personnel operating in activities at risk the processes concerned by the *Model*;
- breaches and/or circumventions of the control system, carried out by removing, destroying or altering the documentation required by the procedures or by preventing control or access to information and documentation by the persons in charge (including the *Supervisory Body*);
- failure to comply with the Whistleblowing Policy and in particular breaches of the measures for the protection of the person who report wrongdoing (whistle-blowers) provided by the Whistleblowing Policy or by the Legislative Decree 24/2003 (in the event of a threat, adoption or implementation of discriminatory or retaliation against the whistle-blower or attempting to hinder the reports, breach of the obligation of confidentiality of the whistle-blower or failure to verify and analyse the report received by the person in charge of receiving and managing them) as well as reports made with wilful misconduct or gross negligence that turn out to be unfounded, false, malicious, defamatory as better specified below in this paragraph.

Substantial breaches of the individual rules of conduct contained in the *Model* and related company procedures constitute a breach of the obligations arising from the employment relationship, as well as a disciplinary offence and a detriment to the recognition of bonuses and/or incentives.

The investigation of the Offences and following disciplinary offences and the ensuing proceedings and penalties shall be the responsibility of the competent corporate Bodies and Structures, which shall promptly inform the *Supervisory Body*.

Penalties related to whistleblowing

Without prejudice to the above in general terms, in relation to the implementation of the so-called Whistleblowing system, the Model provides in its disciplinary system:

- penalties against the whistleblower who maliciously or grossly negligently makes reports that turn out to be false, malicious, defamatory and/or unfounded;
- penalties against those who violate the whistleblower's protection measures.

With regard to *penalties against the whistleblower*, the latter is aware of the responsibilities and civil and criminal consequences envisaged in the event of false declarations and/or use of false documentations. In the event of abuse or falsity of the reports any liability of the whistle-blower for slander or defamation remains unaffected.

Therefore, if in relation to a report it is ascertained, even with a first instance sentence (i) the criminal liability of the whistle-blower for the crimes of defamation or slander or in any case for the same crimes committed with the complaint to the judicial or accounting authority, or the civil liability of the whistle-blower for the same reason, checks will be carried out on the existence of serious guilt or willful misconduct of the whistle-blower or the informant in relation to the undue reporting or denunciation and, in the event of a positive outcome, the Administrative Body and/or the company responsible for this will initiate the disciplinary actions provided for by the applicable CCNL or by the contracts in force and by the applicable law.

Remain the sanctions conferred by the ANAC (National Anti-Corruption Authority) pursuant to art. 21 of Legislative Decree 24/2023 if the whistleblower's civil liability is ascertained by way of willful misconduct or gross negligence, for the offenses of defamation and slander.

However, it is not punishable the whistle-blower who discloses or disseminates information covered by the obligation of secrecy (with the exception of national or European Union provisions on classified information; forensic and medical professional secrecy; secrecy of the decisions of the courts) or relating to the protection of copyright or the protection of personal data or reveals or disseminates information on violations that offend the reputation of the person involved or denounced, when, at the time of disclosure or dissemination, there are reasonable grounds to believe that the disclosure or dissemination of the same information was necessary to reveal the violation and the report was made pursuant to art. 16 (containing "Conditions for the protection of the whistle-blower") of Legislative Decree 24/2023. In such cases, any further liability, even of a civil or administrative nature, is also excluded.

Unless the fact constitutes a crime, the whistle-blower also does not incur any liability, even of a civil or administrative nature, for the acquisition of information on the violations or for access to them.

In any case, criminal liability and any other liability, even of a civil or administrative nature, is not excluded for behaviour, acts or omissions not connected to the report or which are not strictly necessary to reveal the violation.

With regard to *penalties against those who breach the whistle-blower protection measures*, any breach of the obligation of confidentiality, obstruction of the report or retaliatory or discriminatory acts against a whistle-blower as well as any violation of any other measure envisaged for the protection of the whistle-blower by the Legislative Decree 24/2023 and the Whistleblowing Policy is a source of disciplinary liability under the applicable CCNL or applicable contracts and applicable law, without prejudice to any further liability provided for by law.

9.1. Measures against the Directors and Statutory Auditors

Omissis

9.2. Measures against members of the Supervisory Body

Omissis

9.3. Measures against employees classed in the management category

Omissis

9.4. Measures against employees

Omissis

9.5. Measures against external associates

Breach by external associates of the Company may cause, in accordance with the provisions of the specific contractual clauses contained in the letters of appointment or in the convention agreements, the early termination of the contractual relationship, pursuant to Article 1456 of the Civil Code, without prejudice to the right to claim for compensation if the aforesaid breaches may cause concrete damage to the Company.

9.6. Measures against suppliers

Any breach by suppliers shall be punished by the competent Bodies in accordance with the internal company rules, as provided for in the contractual clauses included in the relevant contracts, and in any case with the application of contractual penalties, which may also include the automatic termination of the contract (pursuant to Article 1456 of the Civil Code), without prejudice to compensation for damages.