

**231 MODEL,
MANAGEMENT AND CONTROL**
(pursuant to Legislative Decree 8 June 2001, no. 231)
Approved by the Board of Directors

Approval Date: 30/05/2025



General Part

MIDEA ITALIA S.R.L.
Legal and Operational Headquarters: Viale Bodio, 29/37 - 20158 Milan (MI)
Tax Code / VAT / Business Register Registration: 05699250964
REA Registration: MI - 1842665 REA Registration: MO - 394406
SDI Destination Code: T9K4ZHO

SUMMARY

DEFINITIONS	5
LEGISLATIVE DECREE 231/2001 AND RELEVANT LEGISLATION	5
<i>The company's administrative responsibility</i>	5
<i>The typology of the so-called "predicate" crimes</i>	6
<i>Exculpatory conducts</i>	18
<i>Sanctions against the entity</i>	19
ADOPTION OF THE ORGANIZATIONAL MODEL, MANAGEMENT AND CONTROL BY MIDEA ITALIA S.R.L.	21
<i>The corporate mission of Midea Italia S.r.l.</i>	21
<i>Elements of the overall organizational structure</i>	21
<i>The Code of Ethics and Conduct of Midea Italia S.r.l.</i>	22
<i>The internal control system</i>	22
THE ORGANIZATIONAL MODEL OF MIDEA ITALIA S.R.L.	24
ADOPTION OF THE ORGANIZATIONAL MODEL	24
<i>The purposes pursued by the model</i>	24
<i>Building the model</i>	25
<i>The structure of the Model</i>	25
<i>Mapping of sensitive areas</i>	26
THE SUPERVISORY BODY	26
<i>Establishment of the supervisory body</i>	26
<i>Revocation and replacement</i>	29
<i>Functions and powers of the supervisory body</i>	29
<i>Information flows towards the Supervisory Body</i>	30

<i>Reporting violations whistleblowing</i>	32
<i>Methods of reporting transmission</i>	34
TRAINING AND DISSEMINATION OF THE MODEL	34
<i>Recipients</i>	34
<i>Training and information for staff</i>	34
<i>Information to third parties and dissemination of the model</i>	35
SANCTIONING SYSTEM FOR FAILURE TO COMPLY WITH THE MODEL	36
<i>General principles</i>	36
<i>Definition of violation for the operation of this sanctioning system</i>	37
<i>Measures against employees</i>	37
<i>Measures against managers</i>	39
<i>Measures against administrators and the board of statutory auditors</i>	39
<i>Measures against collaborators, consultants, and other third parties</i>	40
<i>The procedure for applying sanctions against employees</i>	40

DEFINITIONS

National Collective Bargaining Agreement for companies operating in the Tertiary Trade, distribution, and services sector

DECREE: Legislative Decree no. 231 of June 8, 2001, concerning the 'Discipline of administrative liability of legal persons, companies, and associations, even without legal personality'

WB Decree: Legislative Decree 10 March 2023, no. 24

RECIPIENTS: the administrators, the mayors, the employees, the subjects working for the audit firm, as well as all those who, although external to the Entity, work directly or indirectly for the Entity itself (collaborators, consultants, suppliers, etc...).

ENTITY: legal entity, company or association even without legal personality subject to the discipline of Legislative Decree 231/2001

MODEL: management, organization, and control model suitable for preventing crimes of the type that occurred, adopted pursuant to articles 6 and 7 of the Decree

SUPERVISORY BODY (OdV): an independent body with autonomous powers of initiative and control, entrusted with supervising the functioning and compliance of the Model and ensuring its updating

UNDERLYING OFFENSES: the criminal offenses to which the Decree's regulations apply

COMPANY: Midea Italia S.r.l. sole shareholder

TOP MANAGEMENT: individuals holding representative, administrative, or managerial functions within the entity or one of its financially and functionally autonomous organizational units, as well as individuals who, even in practice, manage and control it

SUBORDINATE SUBJECTS: individuals subject to the direction or supervision of one of the top management subjects

LEGISLATIVE DECREE 231/2001 AND RELEVANT LEGISLATION

The company's administrative responsibility

Legislative Decree no. 231 of 8 June 2001, adapting Italian legislation on the responsibility of legal entities to some international conventions to which Italy had long been a party, introduced into our legal system a regime of administrative responsibility for legal entities, companies, and associations, even those without legal personality, excluding non-economic public entities or those performing functions of constitutional

MIDEA ITALIA S.R.L.
Legal and Operational Headquarters: Viale Bodio, 29/37 - 20158 Milan (MI)
Tax Code / VAT / Business Register Registration: 05699250964
REA Registration: MI - 1842665 REA Registration: MO - 394406
SDI Destination Code: T9K4ZHO

relevance, in relation to certain criminal offenses committed in the interest or for the benefit of such entities, by:

- a) individuals holding positions of representation, administration, or management of the entity or one of its organizational units with financial and functional autonomy, as well as by persons who, even de facto, exercise management and control of the same (top management).
- b) subjects subject to the direction or supervision of one of the top subjects (subordinate subjects).

The Entity is not liable if the persons mentioned above have acted in their own exclusive interest or that of third parties.

The administrative responsibility of the Entity is added to that, criminal, of the natural person who committed the offense, both subject to assessment by the criminal judge. Furthermore, the Entity's liability also exists in cases where the offender has not been identified or is not punishable or if the offense is extinguished for a reason other than amnesty.

It is a particular form of liability that, although nominally classified as administrative, presents profiles of a substantially penal nature, as it follows the commission of specific offenses, is ascertained within a criminal proceeding, and entails the application of particularly severe sanctions.

The recognition of the responsibility of the Entity also requires the assessment of its organizational fault, understood as the failure to adopt adequate preventive measures to prevent the commission of the crimes specifically indicated in the Decree by individuals in top or subordinate positions as referred to in the previous points a) and b).

The typology of the so-called "predicate" crimes

The responsibility of the Entity exists only for the types of crimes ('underlying crimes') expressly indicated by the legislator.

Even following the modifications and integrations of the Decree, the 'underlying crimes' are currently the following:

Crimes against Public Administration and its assets (Articles 24 and 25 of the Decree)

- Misappropriation to the detriment of the State or another public Entity (Article 316-*bis* c.p.);

- Improper perception of benefits to the detriment of the State or another public entity or the European Communities (art. 316-*ter* of the Italian Penal Code);
- Fraud in public procurement (art. 356 of the Italian Penal Code);
- Fraud against the State or another public entity or the European Communities (art. 640, paragraph 2, no. 1, of the Italian Penal Code);
- Aggravated fraud for obtaining public benefits (art. 640-*bis* of the Italian Penal Code);
- Computer fraud to the detriment of the State or another public entity (art. 640-*ter* of the Italian Penal Code);
- Fraud in agriculture (art. 2 Law 898/1986);
- Embezzlement (art. 314 of the Italian Penal Code);
- Embezzlement by taking advantage of someone else's mistake (art. 316 of the Italian Penal Code);
- Extortion (art. 317 of the Italian Penal Code);
- Corruption for the exercise of a function (arts. 318 and 321 of the Italian Penal Code);
- Corruption for an act contrary to the duties of office (arts. 319, 319-*bis* and 321 of the Italian Penal Code);
- Aggravating circumstances (art. 319-*bis* of the Italian Penal Code);
- Corruption in judicial acts (arts. 319-*ter* and 321 of the Italian Penal Code);
- Improper inducement to give or promise benefits (art. 319-*quater* of the Italian Penal Code);
- Corruption of a person entrusted with a public service (art. 320 of the Italian Penal Code);
- Penalty for the corruptor (art. 321 of the Italian Penal Code);
- Incitement to corruption (art. 322 of the Italian Penal Code);
- Embezzlement, extortion, undue inducement to give or promise benefits, corruption and incitement to corruption of members of international courts or bodies of the European Communities or of international parliamentary assemblies or international organizations and officials of the European Communities and foreign States (art. 322-*bis* of the Italian Penal Code);
- Abuse of office (art. 323 of the Italian Penal Code);
- Illicit trafficking of influences (art. 346-*bis* of the Italian Penal Code);
- Disturbance of freedom of bidding (art. 353 of the Italian Penal Code);

- Disturbance of freedom of the contracting procedure (art. 353 bis of the Italian Penal Code).

Computer crimes and unlawful processing of data (art. 24-bis of the Decree)

- Falsehood in a public or probative computer document (art. 491-bis c.p.);
- Abusive access to a computer or telematic system (615-ter c.p.);
- Unlawful possession and dissemination of access codes to computer or telematic systems (615-quater c.p.);
- Dissemination of equipment, devices, or computer programs aimed at damaging or disrupting a computer or telematic system (615-quinquies c.p.);
- Unlawful interception, hindrance, or interruption of computer or telematic communications (art. 617-quater c.p.);
- Possession, dissemination, and unauthorized installation of equipment and other means intended to intercept, prevent, or disrupt computer or telematic communications (art. 617-quinquies of the Italian Penal Code);
- Damage to information, data, and computer programs (art. 635-bis of the Italian Penal Code);
- Damage to information, data, and computer programs used by the State or other public entities or entities of public utility (art. 635-ter of the Italian Penal Code);
- Damage to computer or telematic systems (art. 635-quater of the Italian Penal Code);
- Damage to computer or telematic systems of public utility (art. 635-quinquies of the Italian Penal Code);
- Computer fraud by the subject providing electronic signature certification services (art. 640-quinquies c.p.);
- Obstacle or conditioning of the implementation of national cyber security measures (art. 1, paragraph 11, D.L. 105/2019).

Crimes of organized crime (art. 24-ter of the Decree)

- Criminal association (art. 416 c.p.);
- Mafia-type associations, including foreign ones (art. 416-bis c.p.);
- All crimes committed using the conditions provided for in art. 416-bis c.p. to facilitate the activities of the associations provided for in the same article (L. 203/91);
- Exchange of political-mafia votes (art. 416-ter c.p.);

- Kidnapping for robbery or extortion purposes (art. 630 c.p.);
- Criminal association aimed at trafficking in narcotic or psychotropic substances (art. 74 D.P.R. 309/1990);
- Crimes of illegal manufacture, introduction into the State, sale, transfer, possession, and carrying in a public place or open to the public of war weapons or warlike weapons or parts thereof, explosives, clandestine weapons as well as multiple common firearms (art. 407, paragraph 2, letter a], number 5], c.p.p.).

Crimes of counterfeiting coins, public credit cards, stamp duties, and identification instruments or signs (art. 25-bis of the Decree)

- Counterfeiting of coins, spending and introduction into the State, by prior agreement, of counterfeit coins (art. 453 of the Italian Penal Code);
- Alteration of coins (art. 454 of the Italian Penal Code);
- Spending and introduction into the State, without agreement, of counterfeit coins (art. 455 of the Italian Penal Code);
- Spending of counterfeit coins received in good faith (art. 457 of the Italian Penal Code);
- Counterfeiting of revenue stamps, introduction into the State, purchase, possession or circulation of counterfeit revenue stamps (art. 459 of the Italian Penal Code);
- Counterfeiting of watermarked paper used for the production of public credit cards or revenue stamps (art. 460 of the Italian Penal Code);
- Manufacture or possession of watermarks or tools intended for counterfeiting coins, stamp values, or watermarked paper (art. 461 of the Italian Penal Code);
- Use of counterfeit or altered stamp values (art. 464 of the Italian Penal Code);
- Counterfeiting, alteration, or use of trademarks or distinctive signs as well as patents, models, and designs (art. 473 of the Italian Penal Code);
- Introduction into the State and trade of products with false marks (art. 474 of the Italian Penal Code).

Crimes against industry and commerce (art. 25-bis.1 of the Decree)

- Disturbance of freedom in industry or commerce (art. 513 of the Italian Penal Code);
- Unfair competition with threat or violence (art. 513-bis of the Italian Penal Code);

- Frauds against national industries (art. 514 of the Criminal Code);
- Fraud in the exercise of trade (art. 515 of the Criminal Code);
- Sale of non-genuine food substances as genuine (art. 516 of the Criminal Code);
- Sale of industrial products with deceitful signs (art. 517 of the Criminal Code);
- Manufacture and trade of goods made by usurping industrial property titles (art. 517-*ter* of the Criminal Code);
- Counterfeiting of geographical indications or designations of origin of agri-food products (art. 517-*quater* of the Criminal Code).

Corporate crimes (art. 25-*ter* of the Decree)

- False social communications (art. 2621 of the Civil Code);
- Minor offenses (art. 2621-*bis* of the Civil Code);
- False social communications of listed companies (art. 2622 of the Italian Civil Code);
- Prevented control (art. 2625 of the Italian Civil Code);
- Improper return of contributions (art. 2626 of the Italian Civil Code);
- Illegal distribution of profits and reserves (art. 2627 of the Italian Civil Code);
- Unlawful transactions on shares or quotas of the company or the controlling company (art. 2628 of the Italian Civil Code);
- Operations prejudicial to creditors (art. 2629 of the Italian Civil Code);
- Failure to disclose conflicts of interest (art. 2629-*bis* of the Italian Civil Code);
- Fictitious formation of share capital (art. 2632 of the Italian Civil Code);
- Improper distribution of company assets by liquidators (art. 2633 of the Italian Civil Code);
- Corruption between private individuals (art. 2635 of the Italian Civil Code);
- Incitement to corruption between private individuals (art. 2635-*bis* of the Italian Civil Code);
- Improper influence on the assembly (art. 2636 of the Italian Civil Code);
- Market manipulation (art. 2637 of the Italian Civil Code);
- Obstruction of the exercise of the functions of public supervisory authorities (art. 2638 of the Italian Civil Code);
- False or omitted statements for the issuance of the preliminary certificate (art. 54 Legislative Decree 19/2023).

Crimes with the purpose of terrorism or subversion of the democratic order (art. 25-*quater* of the Decree)

- Subversive associations (art. 270 of the Criminal Code)
- Associations with the purpose of terrorism, including international terrorism, or subversion of the democratic order (art. 270-*bis* of the Criminal Code);
- Aggravating and mitigating circumstances (art. 270-*bis* 1 c.p.);
- Assistance to associates (art. 270-*ter* c.p.);
- Recruitment for terrorism purposes, including international terrorism (art. 270-*quater* c.p.);
- Organization of transfers for terrorism purposes (art. 270-*quater* 1 c.p.);
- Training for activities with terrorism purposes, including international terrorism (art. 270-*quinquies* c.p.);
- Misappropriation of assets or money subject to seizure (art. 270-*quinquies* 2 c.p.);
- Conducts with terrorism purposes (art. 270-*sexies* c.p.);
- Attempt for terrorist or subversive purposes (art. 280 c.p.);
- Terrorism with deadly or explosive devices (art. 280-*bis* c.p.);
- Acts of nuclear terrorism (art. 280-*ter* c.p.);
- Kidnapping for the purpose of terrorism or subversion (art. 289-*bis* c.p.);
- Kidnapping for the purpose of coercion (art. 289-*ter* c.p.);
- Incitement to commit any of the crimes provided for in Chapters one and two (art. 302 c.p.);
- Political conspiracy by agreement (art. 304 c.p.);
- Political conspiracy by association (art. 305 c.p.);
- Armed gang: formation and participation (art. 306 c.p.);
- Assistance to participants in conspiracy or armed gang (art. 307 c.p.);
- Financing of conduct for terrorist purposes (Law no. 153/2016, art. 270 *quinquies* 1 c.p.);
- Seizure, hijacking, and destruction of an aircraft (Law no. 342/1976, art. 1);
- Damage to ground installations (Law no. 342/1976, art. 2);
- Sanctions (Law no. 422/1989, art. 3);
- Active repentance (Legislative Decree no. 625/1979, art. 5);
- New York Convention of 9 December 1999 (art. 2).

Crime of practices of female genital mutilation (art. 25-*quater*.1 of the Decree)

- Practices of female genital mutilation (art. 583-*bis* c.p.).

Crimes against individual personality (art. 25-*quinquies* of the Decree)

- Reduction or maintenance in slavery or servitude (art. 600 c.p.);
- Child prostitution (art. 600-*bis* paragraphs 1 and 2, c.p.);
- Child pornography (art. 600-*ter* c.p.);
- Possession of pornographic material (art. 600-*quater* c.p.);
- Virtual pornography (art. 600-*quater* 1 c.p.);
- Tourist initiatives aimed at exploiting child prostitution (art. 600-*quinquies* c.p.);
- Trafficking in persons (art. 601 c.p.);
- Alienation and purchase of slaves (art. 602 c.p.);
- Illicit intermediation and exploitation of labor (art. 603-*bis* c.p.);
- Seduction of minors (art. 609-*undecies* c.p.).

Market abuse offenses (art. 25-*sexies* of the Decree):

- Abuse of privileged information. Recommendation or inducement of others to commit abuse of privileged information (art. 184, Legislative Decree 58/1998 - TUF);
- Market manipulation (art. 185, Legislative Decree 58/1998 - TUF).
- Administrative Offenses (art. 187-*quinquies* TUF):
- Prohibition of abuse of privileged information and illicit communication of privileged information (art. 14, EU Regulation No. 596/2014);
- Market manipulation prohibition (art. 15, EU Regulation No. 596/2014).

Crimes of manslaughter and serious or very serious negligent injuries, committed in violation of health and safety at work regulations (art. 25-*septies* of the Decree)

- Negligent homicide (art. 589 of the Italian Penal Code);
- Negligent personal injury (art. 590 of the Italian Penal Code).

Crimes of receiving stolen goods, money laundering, use of money, goods, or benefits of illicit origin, as well as self-laundering (art. 25-*octies* of the Decree)

- Receiving stolen goods (art. 648 of the Italian Penal Code);
- Money laundering (art. 648-*bis* of the Italian Penal Code);
- Use of money, goods or benefits of illicit origin (art. 648-*ter* c.p.);
- Self-laundering (art. 648-*ter*.1 c.p.).

Crimes related to non-cash payment instruments (art. 25-*octies* 1 of the Decree) and other cases (art. 25-*octies* 1, paragraph 2 of the Decree)

- Improper use and falsification of non-cash payment instruments (art. 493-*ter* c.p.);
- Possession and dissemination of equipment, devices or computer programs aimed at committing crimes related to non-cash payment instruments (art. 493-*quater* c.p.);
- Computer fraud aggravated by the execution of a money transfer, monetary value or virtual currency (art. 640-*ter* c.p.);
- Fraudulent transfer of values (art. 512-bis of the Italian Penal Code).

Crimes related to violations of copyright law (art. 25-*novies* of the Decree)

- Criminal protection of economic and moral exploitation rights (art. 171, paragraph 1, letter a] -bis and paragraph 3, Law 633/1941);
- Criminal protection of software and databases (art. 171-bis, paragraph 1, Law 633/1941);
- Reproduction, transfer to another medium, distribution, communication, presentation or public demonstration of the content of a database; extraction or reuse of the database; distribution, sale or rental of databases (art. 171-bis, paragraph 2, Law 633/1941);
- Criminal protection of audiovisual works (art. 171-*ter*, Law 633/1941);
- Criminal liability related to media (art. 171-*septies*, Law 633/1941);
- Criminal liability related to conditional access audiovisual transmissions (art. 171-*octies*, Law 633/1941).

Crime of inducing not to make statements or to make false statements to the judicial authority (art. 25-*decies* of the Decree)

- Inducement not to make statements or to make false statements to the judicial authority (art. 377-*bis* of the Criminal Code).

Environmental offences (art. 25-*undecies* of the Decree)

- Environmental pollution (art. 452-*bis* c.p.);
- Environmental disaster (art. 452-*quater* c.p.);
- Negligent crimes against the environment (art. 452-*quinquies* c.p.);
- Trafficking and abandonment of highly radioactive material (art. 452-*sexies* c.p.);
- Aggravating circumstances (art. 452-*octies* c.p.);

- Killing, destruction, capture, removal, or possession of specimens of protected wild animal or plant species (art. 727-*bis* c.p.);
- Destruction or deterioration of habitat within a protected area (art. 733-*bis* c.p.).
- Import, export, possession, use for profit, purchase, sale, exhibition, or possession for sale or commercial purposes of protected species (Law no. 150/1992, art. 1, art. 2, art.3-*bis* and art. 6);
- Discharges of industrial wastewater containing hazardous substances; discharges into the soil, subsoil, and groundwater; discharge into the sea by ships or aircraft (Legislative Decree 152/2006, art. 137);
- Unauthorized waste management activities (Legislative Decree 152/2006, art. 256);
- Remediation of sites (Legislative Decree 152/2006, art. 257);
- Violation of obligations regarding communication, maintenance of mandatory registers, and forms (Legislative Decree 152/2006, art. 258, paragraph 4, second period);
- Illegal trafficking of waste (Legislative Decree 152/2006, art. 259, paragraph 1);
- Activities organized for the illicit waste trafficking (art. 452-*quaterdecies* c.p.);
- Computerized waste traceability control system (Legislative Decree 152/2006, art. 260-*bis*, paragraphs 6 and 7, second and third period, and paragraph 8, first and second period);
- Offenses related to emissions (Legislative Decree 152/2006, art. 279, paragraph 5);
- Intentional pollution caused by ships (Legislative Decree No. 202/2007, art. 8);
- Negligent pollution caused by ships (Legislative Decree No. 202/2007, art. 9);
- Cessation and reduction of the use of harmful substances (Law No. 549/1993, art. 3).

Crime of employing third-country nationals whose stay is irregular (art. 25-*duodecies* of the Decree)

- Provisions against illegal immigration (art. 12, paragraph 3, 3-*bis*, 3-*ter* and paragraph 5, Legislative Decree no. 286/1998);
- Employment of third-country nationals whose stay is irregular (art. 22, paragraph 12-*bis*, Legislative Decree no. 286/1998).

Crimes of racism and xenophobia (art. 25-*terdecies* of the Decree)

- Propaganda and incitement to commit crimes for reasons of racial, ethnic, and religious discrimination (art. 604-*bis* of the Criminal Code).

Fraud in sports competitions, illegal exercise of gambling or betting, and gambling carried out through prohibited devices (art. 25-*quaterdecies* of the Decree)

- Frauds in sports competitions (art. 1, Law no. 40/1989);
- Illegal exercise of gambling or betting activities (art. 4, Law no. 401/1989).

Tax offenses (art. 25-*quinqüesdecies* of the Decree)

- Fraudulent declaration through the use of invoices or other documents for non-existent operations (art. 2 Legislative Decree no. 74/2000);
- Fraudulent declaration through other means (art. 3 Legislative Decree no. 74/2000);
- False statement (art. 4 Legislative Decree no. 74/2000);¹
- Omission of statement (art. 5 Legislative Decree no. 74/2000);²
- Issuance of invoices or other documents for non-existent operations (art. 8 Legislative Decree no. 74/2000);
- Concealment or destruction of accounting documents (art. 10 Legislative Decree no. 74/2000);
- Improper set-off (art. 10 – *quater* Legislative Decree no. 74/2000);³

¹ The crime of false statement, punished by art. 4 of Legislative Decree 74/2000 and introduced among the predicate offenses referred to in art. 25-*quinqüesdecies* of Legislative Decree 231/2001 by Legislative Decree 14 July 2020 no. 75, implementing the directive (EU) 2017/1371, concerning the fight against fraud damaging the financial interests of the Union through criminal law (so-called "PIF Directive"), may entail the administrative responsibility of the Entity if committed within fraudulent cross-border systems and with the aim of evading value-added tax for an overall amount not less than ten million euros.

² The crime of failure to disclose, punishable under art. 5 of Legislative Decree no. 74/2000 and introduced among the predicate offenses under art. 25-*quinqüesdecies* of Legislative Decree no. 231/2001 by Legislative Decree no. 75 of July 14, 2020, implementing Directive (EU) 2017/1371 on the fight against fraud affecting the financial interests of the Union through criminal law (so-called "PIF Directive"), may result in the administrative responsibility of the Entity if committed within fraudulent cross-border systems and with the aim of evading value-added tax for a total amount not less than ten million Euros.

³ The crime of undue compensation, punished by art. 10-*quater* of Legislative Decree 74/2000 and introduced among the predicate offenses referred to in art. 25-*quinqüesdecies* of Legislative Decree 231/2001 by Legislative Decree 14 July 2020 no. 75, implementing Directive (EU) 2017/1371, concerning the fight

- Fraudulent evasion of tax payment (art. 11 Legislative Decree no. 74/2000).

Smuggling offenses (art. 25-sexiesdecies of the Decree), provided for in Title VI of Legislative Decree 26 September 2024 no. 141 containing “National provisions complementary to the Union Customs Code and revision of the sanctioning system concerning excise duties and other indirect taxes on production and consumption.”:

- Smuggling by omission of declaration (Art. 78 D.lgs. 141/2024)
- Smuggling by false declaration (Art. 79 D.lgs. 141/2024)
- Smuggling in the movement of goods by sea, air, and in border lakes (Art. 80 D.lgs. 141/2024)
- Smuggling by improper use of imported goods with total or partial duty reduction (Art. 81 D.lgs. 141/2024)
- Smuggling in the export of goods eligible for duty drawback (Art. 82 D.lgs. 141/2024)
- Smuggling in temporary export and in special use and perfection regimes (Art. 83 D.lgs. 141/2024)
- Smuggling of processed tobacco (Art. 84 D.lgs. 141/2024)
- Aggravating circumstances of the crime of smuggling of processed tobacco (Art. 85 D.lgs. 141/2024)
- Criminal association aimed at smuggling of processed tobacco (Art. 86 D.lgs. 141/2024)
- Equating attempted crime to consummated crime (Art. 87 D.lgs. 141/2024)
- Aggravating circumstances of smuggling (Art. 88 D.lgs. 141/2024)
- Recidivism in smuggling (Art. 89 D.lgs. 141/2024)
- Habitual smuggling (Art. 90 D.lgs. 141/2024)
- Professional smuggling (Art. 91 D.lgs. 141/2024)
- Habitual or professional smuggling according to the penal code (Art. 92 D.lgs. 141/2024)

Crimes against cultural heritage (art. 25-septiesdecies of the Decree)

- Theft of cultural goods (art. 518-*bis* c.p.);
- Misappropriation of cultural goods (art. 518-*ter* c.p.);
- Receipt of cultural goods (art. 518-*quater* c.p.)

against fraud affecting the financial interests of the Union through criminal law (so-called "PIF Directive"), may entail the administrative responsibility of the Entity if committed within fraudulent cross-border systems and in order to evade value-added tax for a total amount not less than ten million Euros.

- Forgery in private writing related to cultural goods (art. 518-*octies* c.p.);
- Violations in the field of alienation of cultural goods (art. 518-*novies* c.p.);
- Illegal importation of cultural goods (art. 518-*decies* c.p.);
- Illegal exit or export of cultural goods (art. 518-*undecies* c.p.);
- Destruction, dispersion, deterioration, defacement, soiling, and illicit use of cultural or landscape goods (art. 518-*duodecies* c.p.);
- Counterfeiting of works of art (art. 518-*quaterdecies* c.p.).

Laundering of cultural goods and devastation and looting of cultural and landscape goods (art. 25-*duodevicies* of the Decree)

- Laundering of cultural goods (art. 518-*sexies* c.p.);
- Devastation and looting of cultural and landscape goods (art. 518-*terdecies* c.p.).

Transnational crimes (art. 10 - Law 146/2006)

The following crimes, if committed in a transnational manner, constitute the basis for the administrative responsibility of entities (art. 3 Law 146/2006):

- Criminal association (art. 416 of the Criminal Code);
- Mafia-type association, even foreign (art. 416-*bis* of the Criminal Code);
- Criminal association aimed at smuggling foreign manufactured tobacco products (art. 291-*quater* of the Consolidated Text referred to in Presidential Decree 23 January 1973, no. 43);
- Association aimed at the illicit trafficking of narcotic drugs or psychotropic substances (art. 74 of the Consolidated Text referred to in Presidential Decree 9 October 1990, no. 309);
- Provisions against illegal immigration (art. 12, paragraphs 3, 3-*bis*, 3-*ter* and 5, of the Consolidated Text referred to in Legislative Decree 286/1998);
- Inducement not to make statements or to make false statements to the judicial authority (art. 377-*bis* c.p.);
- Personal favoritism (art. 378 c.p.).

The Entity based in Italy may be called to account, in relation to underlying crimes committed abroad, if the Entity has its main office in Italy and the other conditions indicated in art. 4 of the Decree are met.

The Entity is also liable for offenses resulting from attempted crimes.

Exculpatory conducts

The Decree provides that the Entity, notwithstanding the personal liability of the author of the act, shall be exempt from liability if it proves to have adopted an organizational model suitable for preventing the underlying crimes.

In particular, the Decree provides that, if the crimes are committed by individuals in top positions, the Entity is not liable if it proves:

- to have adopted and implemented, before the commission of the act, an organizational and management model suitable for preventing crimes of the type that occurred;
 - to have entrusted to a body, independent and endowed with autonomous powers of initiative and control, the supervision of the functioning and compliance with the Model and the responsibility for its updating (Supervisory Body);
 - that the crime was committed by fraudulently circumventing the measures provided for in the Model;
 - that there has been no omission or insufficient supervision by the Supervisory Body;
- In the case of a crime committed by a subordinate, the Entity's liability is excluded by the effective implementation of the Model, which requires periodic verification and possible modification of the same also in relation to changes in the organization and activities as well as the provision of an adequate disciplinary system.

For the Model to have an exemptive value, the Decree requires that it meets the following specific requirements:

- a) identify the activities within which crimes may be committed;
- b) provide specific protocols aimed at planning the training and implementation of the Entity's decisions regarding crimes to be prevented;
- c) identify suitable financial resource management methods to prevent the commission of crimes
- d) provide information obligations to the Supervisory Body;
- e) introduce a disciplinary system capable of sanctioning the failure to comply with the measures indicated in the Model.

Furthermore, pursuant to paragraph 2-bis of art. 6 of the Decree, as amended by Legislative Decree no. 24/2023, the Model must also provide for internal reporting channels and a prohibition on retaliation.

Therefore, even though formally the adoption and effective implementation of a Model pursuant to the Decree is not an obligation, but a mere option, it constitutes the necessary prerequisite to benefit from the exemption provided by the legislator.

Sanctions against the entity

The Decree provides that, in the case of the commission or attempted commission of the underlying offenses, pecuniary sanctions, disqualification sanctions, confiscation, and publication of the judgment may be imposed on the Entity.

The pecuniary sanctions

The application of the pecuniary sanction is always provided for in the event that the Entity's responsibility for the administrative offense dependent on the underlying offense is recognized. It is determined by the criminal judge in 'shares' numbering not less than one hundred and not more than one thousand, taking into account the seriousness of the fact, the degree of responsibility of the Entity, and the activities carried out to eliminate or mitigate the consequences of the fact and to prevent the commission of further offenses. The amount of the fee, ranging from a minimum of € 258.23 to a maximum of € 1,549.37, is instead set based on the economic and financial conditions of the Entity, in order to ensure the effectiveness of the sanction.

Interdictive sanctions

They consist of the prohibition from carrying out the activity; in the suspension or 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 benefits, financing, contributions, or subsidies and in the possible revocation of those already granted; in the prohibition of advertising goods and services.

Such sanctions can only be imposed in relation to offenses for which they are expressly provided, when at least one of the following conditions occurs:

- the Entity has derived a significant profit from the offense and the offense was committed by a top-level subject or by a subordinate subject, provided that, in the latter case, the commission of the offense was determined or facilitated by serious organizational deficiencies;
- in case of repeated offenses.

The type and duration of the prohibitive sanctions are determined by the judge taking into account the seriousness of the fact, the degree of responsibility of the Entity, the actions taken to eliminate or mitigate the consequences of the unlawful act, and to prevent the commission of further offenses.

Instead of applying the disqualification sanction, the judge may order the continuation of the Entity's activities by a judicial commissioner.

Such sanctions can also be applied to the Entity on a precautionary basis when there are serious indications of the Entity's responsibility in the commission of the offense and there are well-founded and specific elements that make it likely that offenses of the same nature as the one being prosecuted will be committed.

Disqualification sanctions do not apply (or are revoked if applied on a precautionary basis) when the Entity, before the opening statement of the first-instance trial, has fully compensated for the damage or has eliminated the harmful or dangerous consequences of the offense (or, in any case, has effectively acted in that direction); has eliminated the organizational deficiencies that led to the offense, adopting suitable Models; has made available, for the purpose of confiscation, the proceeds of the offense.

Failure to comply with the prohibitive sanctions applied to the Entity constitutes the offense of 'Failure to comply with prohibitive sanctions' as provided for in Article 23 of the Decree.

Confisca

The judgment of conviction always orders the confiscation - even by equivalent - of the price or the proceeds of the offense, except for the part that can be returned to the damaged party and subject to the rights of third parties in good faith.

Publication of the judgment

The publication of the judgment is a possible sanction that presupposes the application of a prohibitive sanction. This is done pursuant to article 36 of the Criminal Code (which provides for the posting of the sentence in the Municipality where it was pronounced and in the one where the crime was committed as well as publication on the *internet* site of the Ministry of Justice) as well as by posting in the municipality where the Entity has its main office. The publication is carried out by the registry office of the competent judge and at the expense of the Entity.

It should be noted that the precautionary seizure of the things subject to confiscation and the conservative seizure of the movable and immovable property of the Entity may be ordered if there is good reason to believe that there are no guarantees for the payment of the pecuniary sanction, the costs of the proceedings, and any other amount due to the Treasury.

ADOPTION OF THE ORGANIZATIONAL MODEL, MANAGEMENT AND CONTROL BY MIDEA ITALIA S.r.l.

The corporate mission of Midea Italia S.r.l.

The Company is part of the Midea Group, a world leader in the production and distribution of electric or gas-powered appliances for domestic and industrial use, including consumer electronics, air and water conditioning systems, and energy storage systems.

The Company carries out marketing and distribution activities to businesses and, in part, to consumers of electric or gas-powered appliances for domestic and industrial use, including consumer electronics, air and water conditioning systems, and energy storage systems.

It has its registered office in Milan -20158- at Viale Luigi Bodio no.29/37

Elements of the overall organizational structure

The organizational structure of Midea Italy is composed of:

- a) Assembly;
- b) President of the Board of Directors;
- c) Counselor;
- d) Sole Auditor;
- e) Audit Company.

The Company is managed by a Board of Directors consisting of 2 members, invested with the powers of ordinary and extraordinary administration without any limit.

The Board of Directors may delegate, within the limits provided by law, the powers of ordinary and extraordinary administration, or part of them, to one or more managing directors, as well as to an executive committee. The representation of the Company belongs to the President of the Board of Directors, to the individual appointed Counselors, if any, and to the chairman of the executive committee, if appointed. The representation of the Company is also the responsibility of the directors, liquidators, and attorneys, within the limits of the powers conferred on them in the act of appointment.

The Sole Director oversees compliance with the law and the Bylaws, compliance with the principles of proper administration, and, in particular, the adequacy of the organizational, administrative, and accounting structure adopted by the Company.

The President has the legal representation of the Company in accordance with the law and as provided for in the Bylaws.

The President of the Board of Directors and the Managing Director are entrusted with all the powers of the Board of Directors, to be exercised with a single signature and autonomously limited to ordinary administration by virtue of the power of attorney granted by the Board of Directors and in any case excluding powers that cannot be delegated by law or by the Bylaws.

The certification of the civil balance sheet is entrusted to an Audit Firm, in accordance with the relevant regulations.

The Code of Ethics and Conduct of Midea Italia S.r.l.

The Code of Ethics and Conduct of the Company, an essential element of the preventive control system, contains the set of principles and rules of conduct in the management of the Company that the latter recognizes as its own and to which all the "recipients" are required to comply, including the administrators, auditors, employees, individuals working for the Audit Firm, as well as all those who, although external to the Company, operate directly or indirectly for the same company (collaborators, consultants, suppliers, etc.).

The Code of Ethics and Conduct of the Company is, in general, inspired by the principles of legality, loyalty, transparency, impartiality, diligence, and professionalism, confidentiality of information, and protection of the environment, safety, and sustainable development. It complies with current regulations and sector codes to which the Company adheres.

The Company ensures an adequate training and continuous awareness program on issues related to the ethical code.

Any actual or potential violation committed by internal subjects of the entity or by third parties must be promptly reported to the competent internal functions.

The internal control system

The Company's Model takes into account the governance tools of the Company's organization, with particular reference to the following:

- The Bylaws, which contain various provisions ensuring the correct conduct of management activities.

- The organizational system, composed of organizational positions and areas of responsibility represented in the organizational chart, which is an integral part of this Model and must comply with the requirements of: (i) clarity and formalization, with particular reference to the attribution of responsibilities, the definition of hierarchical lines, and the assignment of operational activities; (ii) separation of roles, in order to avoid functional overlaps and concentration on a single person of activities that present a high degree of risk or criticality.
- The special procurement system, relating both to internal authorization powers, on which the Company's decision-making processes on the operations to be carried out depend, and to the powers of representation for the signing of acts or documents intended for external parties and binding on the Company. Special procurements must meet the following requirements: a) be clearly defined and formally assigned through written communications; b) provide for exercise limits consistent with the responsibilities and tasks delegated and with the positions held within the organizational structure, with particular regard to spending powers and authorization and/or signing powers for operations and acts considered "at risk" in the corporate context; c) be updated as a result of organizational changes.
- The Code of Ethics and Conduct, referred to in the preceding paragraph.
- The procedural system, consisting of procedures, policies, regulations, manuals, operating instructions, and internal communications aimed at regulating relevant processes clearly and effectively and providing operational methods and control measures for carrying out business activities. Internal procedures must provide for: a) a clear definition of activity responsibilities; b) regulation of the methods and timing of activity performance; c) adequate dissemination within the company structures involved in the activities; d) traceability of acts, operations, and transactions through appropriate documentary supports that attest to motivations and characteristics of the operation and identify all parties involved; e) by providing, where possible, defined criteria and reference methodologies for making business choices, for the maximum objectivity of decision-making processes, f) the provision of specific control mechanisms to ensure the integrity and completeness of managed data and information exchanged within the organization.

In the Company's internal control system, the governance tools mentioned above are also accompanied by the management control system and reporting and the computer systems, the latter aimed at ensuring the traceability of transactions and the segregation of roles and powers in the corporate environment and regulated by internal procedures aimed at safeguarding security, privacy, and correct use by users.

THE ORGANIZATIONAL MODEL OF MIDEA ITALIA S.r.l.

Adoption of the organizational model

In the awareness of the need to adopt and effectively implement a system suitable for preventing the commission of illicit behaviors in the corporate context, the Company adopted, by resolution of the Board of Directors on 30/05/2025, this version of the organizational, management, and control model (Model) pursuant to the Decree.

Changes and integrations of this Model will be decided by the Board of Directors, even if there is a possible report from the Supervisory Body entrusted with the task of verifying the need or opportunity for updates or adjustments.

It is up to the Board of Directors to take the necessary actions to implement and enforce the provisions of the Model.

The preparation of the Model takes into account the Guidelines specifically prepared by Confindustria.

The purposes pursued by the Model

Through the adoption and any subsequent updates of the organizational, management, and control Model, the Company intends to pursue the following purposes:

- (a) disseminate to all those who work for the Company, particularly in the so-called "sensitive areas," the awareness that violations of the provisions of the Decree, the prescriptions contained in the Model, and the principles of the Code of ethics and conduct may result not only in disciplinary and criminal consequences for themselves but also in sanctions (of a pecuniary and disqualifying nature) against the Company;
- (b) make these subjects aware that such forms of illicit behavior are firmly condemned by the Company, as they are not only contrary to legal provisions but also to the ethical principles that the Company intends to adhere to in the conduct of its business activities;

(c) allow the Company, through constant monitoring of the correct implementation of the Model, to prevent and/or promptly counter the commission of offenses relevant under the Decree;

(d) improve the *governance* and the image of the Company.

The construction of the Model

For the preparation of the Model, it was necessary to:

- identify the activities and the so-called sensitive areas, through the prior examination of relevant company documentation (organizational charts, powers of attorney, job descriptions, organizational provisions and communications) and interviews with the responsible parties;
- analyze the concrete performance of the activities in which behaviors at risk of committing the underlying crimes could be configured, while evaluating the existing control measures and their possible critical issues;
- configure or implement the actions necessary for the improvement of the control system and its adaptation to the purposes pursued by the Decree;
- define the control protocols in cases where a risk hypothesis has been identified as existing;
- regulate the management of financial resources in a manner suitable to prevent the commission of the crimes referred to in the Decree;
- identify the person responsible for monitoring the functioning, effectiveness, and application of this Model, with the simultaneous preparation of a *reporting* system to and from this person;
- adopt the Code of Ethics and Conduct;
- develop a disciplinary system functional to sanction violations of the provisions of the Model and the Code of Ethics and Conduct.

The structure of the Model

The Model consists of a general part and a special part.

The general part identifies and regulates the structure and fundamental components of the Model, as well as the methods related to its updating and adaptation. An integral part of it is the Code of Ethics and Conduct (Annex A), as it contains provisions that constitute the criterion for interpreting the principles, rules, and organizational practices, as well as clearly highlighting to all Addressees that any behaviors not in compliance with it entail a personal assumption of responsibility.

The special part indicates the categories of crimes, among those indicated in the Decree, considered applicable to the Company and the operational protocols safeguarding the areas at risk of committing said crimes.

Mapping of sensitive areas

Based on the above outlined methods, the sensitive areas and activities of the Company, taking into account its current operations and organizational structure, have been identified in the special part.

THE SUPERVISORY BODY

Establishment of the supervisory body

The body identified by the Company to oversee the functioning and compliance of the Model is the Supervisory Body, which, as expressly provided by the Decree, is endowed with autonomous powers of initiative and control.

The Company has opted for a collegial body with 2 external members and 1 internal member.

In the appointment of the members of the Board of Directors by the Board of Directors, the following requirements must be guaranteed, as can be inferred from Decree 231/2001 and outlined in the Confindustria Guidelines:

- Autonomy and independence

The first of the two requirements should be understood in the sense that the position of the Board of Directors within the entity must ensure the autonomy of the control initiative from any form of interference or conditioning by any component of the entity and, in particular, by the management body.

To guarantee independence, the members of the Board of Directors must not be in situations of conflict of interest, even potential ones, must relate directly to the company's operational management, and have an annual budget to support the activities necessary for carrying out their tasks.

Always in order to ensure the necessary autonomy and independence, it is to be excluded that operational tasks can be attributed to the Board of Directors.

- Professionalism

The Board of Directors must possess the necessary tools and techniques for the effective performance of its activities. The selection of members of the Board of

Directors must therefore take place by verifying the possession of specific professional skills in the field of inspection or consultancy activities or related to the knowledge of specific techniques.

- Continuity of action

The Board of Directors will continuously carry out monitoring activities of the Model, exercising its control powers with adequate commitment and meeting at least quarterly.

- Integrity

This requirement is guaranteed by the provision of causes of ineligibility, forfeiture, or suspension for the members of the Board of Directors as specified below.

They are **unreadable** which components of the Board of Directors:

- individuals who have been convicted by a final judgment, or by a sentence of penalty application upon request (so-called "plea bargain") and also in the case of conditional suspension of the penalty, without prejudice to the effects of rehabilitation:
 1. to imprisonment for a period of not less than one year for one of the crimes provided for by Royal Decree 267/1942;
 2. to a custodial sentence for a period of not less than one year for one of the offenses provided for by the rules governing banking, financial, securities, insurance activities, and by the rules on markets and securities and payment instruments;
 3. to imprisonment for a period of not less than one year for a crime against Public Administration, against public faith, against property, against public economy, or in tax matters;
 4. to imprisonment for a term of not less than two years for any non-negligent crime
 5. for one of the offenses provided for in Title XI of Book V of the Civil Code as reformulated by Legislative Decree 61/2002;

6. for an offense that entails a sentence resulting in disqualification, even temporary, from public offices, or temporary disqualification from managerial positions in legal entities and companies;
 7. for one or more offenses among those expressly provided for by the Decree, even if with sentences lower than those indicated in the previous points;
- individuals against whom one of the preventive measures provided for in Article 10, paragraph 3, of Law 575/1965 has been definitively applied, as replaced by Article 3 of Law 55/1990 and subsequent amendments;
 - the subjects against whom the ancillary administrative sanctions provided for in art. 187-*quater* of Legislative Decree 58/1998 have been applied.

At the time of appointment, the members of the Board of Directors must self-certify with a sworn statement of non-existence of any of the conditions mentioned above, expressly committing to communicate any changes compared to the content of such declaration.

The members of the Board of Directors **expire** from office at the moment when subsequently to their appointment:

- are convicted by final judgment or plea bargain for one of the crimes indicated in numbers 1, 2, 3, 4, 5, 6, and 7 of the aforementioned ineligibility conditions;
- in case they have violated the confidentiality obligations strictly related to the performance of their duties.

The members of the Supervisory Body are also **suspended** from exercising their functions in cases of conviction with a non-final sentence or application of the penalty at the request of the parties in the cases referred to in numbers 1 to 7 of the aforementioned ineligibility conditions or provisional application of one of the preventive measures provided for in art. 10, paragraph 3, of Law 575/1965, as amended by art. 3 of Law 55/1990 and subsequent amendments.

The Supervisory Body holds office for 3 years, expires with the approval of the financial statements for the third year following its appointment, and is eligible for re-election.

Revocation and replacement

Each member of the Board of Directors remains in office until the appointment of their successor or the establishment of the new body.

The revocation of a member of the Board of Directors by the Board of Directors is subject to the opinion of the Board of Statutory Auditors.

The Board of Directors may, at any time, revoke the members of the Board of Directors for just cause. Examples of just cause for revocation include, but are not limited to: a) interdiction or disqualification, or a serious illness that makes the member of the Board of Directors unfit to perform their functions; b) the occurrence of one of the reasons for ineligibility or forfeiture; c) the assignment to the member of the Board of Directors of operational functions and responsibilities incompatible with the requirements of autonomy of initiative and control, independence, and continuity of action, which are characteristic of the Board of Directors; d) failure to maintain confidentiality; e) serious breach of the duties of the Board of Directors as defined in the Model.

Functions and powers of the supervisory body

The Board of Directors will have free access to all functions of the company - without the need for any prior consent - in order to obtain any information or data deemed necessary for the performance of the tasks provided for by the Decree, and may avail itself, under its direct supervision and responsibility, of the assistance of all the company's structures.

In the context of the corporate budget formation procedures, the Board of Directors will allocate to the Board of Directors an adequate allocation of financial resources, for every need necessary for the correct performance of the tasks. The Board of Directors may commit additional resources, in compliance with company procedures, if necessary to address exceptional and urgent situations, of which the Board of Directors must be promptly informed.

The following tasks are attributed to the Board of Directors:

- a) verification of the effectiveness of the Model with respect to the prevention and

- prevention of the commission of offenses under the Decree, with particular reference to the risk areas identified in the same Model;
- b) supervision of compliance with the methods and procedures provided for by the Model and detection of any violations that may emerge from the analysis of information flows and reports received;
 - c) formulation to the Board of Directors of proposals for any updates and adjustments to the Model made necessary by regulatory changes, significant violations of the Model's provisions, or significant changes in the Company's internal structure;
 - d) reporting to the Board of Directors, for appropriate measures, those violations of the Model that may lead to the emergence of a responsibility lies with the entity;
 - e) proposal for the imposition of any disciplinary sanctions, after coordinating with the responsible parties of the relevant business areas.

The OdV must report directly to the Board of Directors with an informative report every six months on the verification and control activities carried out, their outcomes, and any needs for modification or updating of the Model (first reporting line).

Furthermore, the OdV may at any time request to be heard by the Board of Directors to report on any violations of the Model or the Code of Ethics and Conduct and, in general, if deemed necessary in relation to the functioning and effective implementation of the Model or specific situations (second reporting line).

The Board of Directors, on the other hand, may be convened at any time by the Board of Directors.

All meetings attended by the Board of Directors must be recorded.

Information flows towards the Supervisory Body

The Board of Directors must constantly be aware of aspects that may expose the company to the risk related to the potential commission of offenses under the Decree. All Recipients of the Model are required to promptly inform the Board of Directors of any violation or suspicion of violation of the Model and the Code of Ethics and Conduct,

as well as any other potentially relevant aspect regarding their effectiveness and implementation.

The informative obligations towards the Board of Directors are carried out through information or reports.

In particular, the information concerning must be transmitted obligatorily and promptly to the Board of Directors :

- the measures and/or news coming from the judicial police authorities, or from any other authority, from which it emerges the carrying out of investigative activities concerning the Company for the crimes referred to in the Decree, even if against unknown persons;
- the requests for legal assistance forwarded by the managers and/or employees in case of judicial proceedings initiated against them for offenses provided for in the Decree;
- the reports prepared by the heads of the company structures in the context of the control activities carried out, from which facts, acts, events, or omissions with critical aspects compared to the Decree regulations may emerge;
- the news relating to the effective implementation, at all levels of the company, of the Model, with regard to the disciplinary proceedings carried out and any sanctions imposed, or motivated decisions to archive disciplinary proceedings;
- any updates to the delegation system;
- any communications from the Audit Company on aspects that may indicate deficiencies in the internal control system, reprehensible facts, observations on the entity's balance sheet;
- specific communications on health and safety in the workplace as per the Special Part of the Model.
- any information, also from third parties and related to the implementation of the Model itself in high-risk areas.

Reports addressed to the Board of Directors of Midea Italia S.r.l., can be made:

- either by postal mail to the address: Via Tranquillo Cremona 5, 20145 Milan
- or by email to the address: odv@midea.com.

The Supervisory Body will assess all received reports and will take any consequent initiatives at its reasonable discretion and responsibility within the scope of its duties, potentially hearing the author of the report and the person responsible for the alleged

violation. Upon completion, it will decide whether to propose the initiation of a disciplinary procedure, as provided for in the chapter on the Disciplinary and Sanctioning System, or to archive the report. Every decision must be justified.

The Supervisory Body, in compliance with the legislation on 'whistleblowing' as described in the following paragraph, operates in a way to prevent the authors of the reports from suffering any form of retaliation, discrimination, penalization, or any consequences arising from them, ensuring the confidentiality regarding the identity of the reporter, subject to legal obligations and the protection of the rights of the Company or individuals wrongly or in bad faith accused.

The Board of Directors is required to ensure the utmost confidentiality regarding any information or report received, under penalty of revocation of the mandate and the disciplinary measures defined below, without prejudice to the needs related to carrying out investigations in the event that the support of external consultants to the Board of Directors or other corporate structures is necessary.

Every piece of information and report is stored by the Board of Directors in a dedicated electronic and/or paper archive, in compliance with the provisions on the protection of personal data.

Reporting violations whistleblowing

In accordance with the provisions of the WB Decree, which, in implementation of EU Directive 1937/2019 on 'whistleblowing', among other things, amended art. 6 of Decree 231/2001, the Company has activated the appropriate internal reporting channels dedicated to allowing the individuals specifically identified in art. 3 of the WB Decree to make reports concerning violations of national regulatory provisions of which they have become aware in the course of their work context.

Through internal reporting channels, reports can be made which, in light of what is provided for in the WB Decree, consist of behaviors, acts, or omissions capable of harming public interest or the integrity of public administration or private entities concerning violations of national provisions that constitute relevant unlawful conduct under the Decree or violations of organizational models. If in the last year the Entity has employed an average of at least 50 employees, there should also be the possibility of reporting violations of European Union provisions.

The provision of the system referred to in the WB Decree differs from that of the information flows to the Board of Directors in terms of greater specificity both in terms of formal requirements and content.

In particular, it is envisaged that the Models adopted by the Entity must provide for:

- one or more channels that allow for the submission of detailed reports of illicit conduct based on precise and consistent factual elements or violations of the Entity's organizational and management model, ensuring the confidentiality of the informant's identity in the management activities of the report;
- at least one alternative reporting channel suitable for ensuring, through IT methods, the confidentiality of the informant's identity;
- a prohibition on retaliatory or discriminatory acts, direct or indirect, against the informant for reasons connected, directly or indirectly, to the report;
- in the disciplinary system adopted by the Entity, sanctions against those who violate measures to protect the informant, as well as against those who make unfounded reports with intent or gross negligence.

The subjects who can report the illicit conduct of which they have become aware in the work context of the Entity are as follows:

- subordinate workers;
- self-employed workers,
- holders of a collaboration relationship referred to in Article 409 of the Italian Code of Civil Procedure and Article 2 of Legislative Decree no. 81/2015 who carry out their work activity at the Entity;
- workers or collaborators who carry out their work activity for subjects that provide goods or services or carry out works on behalf of third parties;
- freelancers and consultants who provide their services at the Entity;
- volunteers and interns, paid and unpaid, who provide their services at the Entity;
- shareholders and persons with administrative, management, control, supervisory or representative functions, even if such functions are exercised de facto, within the Entity.

Retaliatory or discriminatory dismissal of the reporting individual shall be deemed null and void, as well as any change in job duties, as well as any other retaliatory or discriminatory measure taken against them.

The burden of proof that such measures are based on reasons unrelated to the report itself lies with the Entity - in case of disputes related to the imposition of disciplinary sanctions or demotions, dismissals, transfers or subjecting the reporter to another

organizational measure having negative, direct or indirect effects on working conditions, subsequent to the submission of the report.

The adoption of discriminatory measures against individuals making reports can be reported to ANAC - which will inform, for the measures within its competence, the National Labour Inspectorate - not only by the reporter, but also by the trade union. Without prejudice to any other type of liability, ANAC applies administrative sanctions to the responsible party as provided for in Article 21 of the WB Decree.

Any violations of measures to protect the whistleblower or unfounded reports made with intent or gross negligence will be sanctioned in accordance with the provisions of the subsequent chapter 'Sanctioning System'.

Methods of reporting transmission

Responsible for managing the reports referred to in the preceding paragraph is the Supervisory Body, which will handle them as indicated in the section 'Information Flows to the Supervisory Body'.

If necessary:

As described in the Company's Code of Ethics and Conduct, the Company has long been equipped with a whistleblowing channel implemented through the EQS Compliance Cockpit platform.

TRAINING AND DISSEMINATION OF THE MODEL

Recipients

The Recipients of this Model are considered and, as such, within their specific competencies, required to know and comply with it:

- the members of the Board of Directors;
- the President, the CEO, the Area Managers, and the Executives;
- the members of the Board of Statutory Auditors;
- employees and all collaborators with whom contractual relationships are maintained, in any capacity, even occasional and/or only temporary;
- all those who have financial or any other type of relationship with the Company.

Training and information for staff

It is the Company's objective to ensure correct and complete knowledge by the Recipients of the Decree, the Model, and the obligations arising from them.

Training and information are managed by the HR Function, with the participation of the Board of Directors, in close coordination with the managers of the areas/functions involved in the Model's application.

This Model is communicated to all company resources by the HR Function through an internal informative note.

All top and subordinate subjects must declare through a certified platform the knowledge and acceptance of the Model, after viewing the Model itself in electronic format.

New hires will be provided with an informative set containing the Model and the Code of ethics and conduct, ensuring them the information considered of primary relevance. All subsequent changes and information regarding the Model will be communicated to company resources through official information channels.

Specific training activities are planned to illustrate the constitutive elements of the Model, including the special parts, the principles of the Decree, behaviors considered sensitive in relation to the commission of offenses provided for in the aforementioned decree, the Code of ethics and conduct, and the procedures and information flows, with particular regard to the tasks assigned to the Board of Directors.

The Board of Directors must ensure that the training programs are qualitatively adequate and effectively implemented.

Each training program is tailored to provide its users with the necessary tools based on their qualification, the risk level of the area in which they operate, and whether or not they are assigned representative functions.

Participation in training activities is to be considered mandatory.

Unjustified absence from training courses is considered a disciplinary offense, in accordance with the Sanctioning System set out below.

The Company will introduce a specific section of the company intranet, dedicated to the theme - and periodically updated - in order to allow interested parties to be informed of any changes, integrations, or implementations of the Model and the Code of Ethics and Conduct in real time.

Information to third parties and dissemination of the Model

The Company requires knowledge and compliance with the Model and the Code of Ethics and Conduct among third parties, such as consultants, collaborators, agents, suppliers, wholesalers, distributors, business partners, and other external parties operating on behalf of the Company.

The information is ensured through explicit reference in contracts concluded with third parties to the existence of the Model and the Code of Ethics and Conduct.

Furthermore, in the aforementioned contracts, specific clauses will be included that provide for, in case of non-compliance with the principles contained in the Model and the Code of Ethics and Conduct, the resolution of contractual obligations.

SANCTIONING SYSTEM FOR FAILURE TO COMPLY WITH THE MODEL

General principles

The definition of a sanctioning system in relation to the failure to comply with the rules indicated in the Model constitutes a necessary condition to ensure the effective implementation of the Model itself and constitutes, according to the Decree, an essential prerequisite to allow the Company to benefit from the exemption from administrative responsibility.

Based on paragraph 2 bis of Article 6 of the Decree, the disciplinary system must provide for sanctions against those who violate the protective measures of the person making reports of illicit conduct, as well as against those who make reports with intent or gross negligence that prove to be unfounded.

The sanctioning system is an integral part of the Model and supplements the disciplinary rules and sanctions already provided for by Law No. 300 of May 20, 1970 (Workers' Statute) and by the National Collective Bargaining Agreement for companies operating in the Tertiary Commerce, distribution, and services sector, hereinafter referred to as CCNL, applicable to the Company.

The application of sanctions is independent of the initiation and outcomes of any criminal proceedings that may be initiated in cases where the violation constitutes a relevant criminal offense under the Decree.

The applicable sanctions are diversified based on the nature of the relationship between the violator and the Company, as well as the relevance and seriousness of the violation committed and the responsibility of the author.

Following the communication of the Board of Directors regarding the violation of the Model, an assessment procedure will be activated in accordance with the provisions of the relevant National Collective Bargaining Agreement. The aforementioned assessment procedure is carried out by the social bodies responsible for imposing disciplinary sanctions, taking into account the seriousness of the behavior, any recurrence of the offense, or the degree of fault.

The Company, through the bodies and functions specifically assigned to this, therefore proceeds to apply sanctions consistent, impartial, and uniform, proportionate to the respective violations of the Model and in compliance with the current regulations on labor relations.

Definition of violation for the operation of this sanctioning system

The Recipients are obliged to align their conduct with the principles and rules set out in the Model.

For the purposes of the Sanctioning System, any action or omission - even in conjunction with other parties - in violation of the aforementioned principles and rules constitutes relevant conduct for the application of sanctions.

In particular, by way of example only, the following constitutes disciplinary misconduct:

- the violation of the behavioral rules provided for in the Model;
- the failure to report violations of the Model to the Board of Directors when one becomes aware of them;
- retaliatory and/or discriminatory behaviors, direct or indirect, towards the individual making the report for reasons connected, directly or indirectly, to the report itself;
- violations of measures aimed at protecting the whistleblower with regard to the right to confidentiality;
- making reports with intent or gross negligence that turn out to be unfounded

Measures against employees

Disciplinary offenses are constituted by the behaviors of employees that result in:

- violation of the behavioral rules provided in the Model, in the Code of Ethics and Conduct, and in the company protocols adopted by the Company;
- violation of measures aimed at protecting whistleblowers;
- submission of unfounded reports with intent or gross negligence.

Sanctions against employees are imposed in accordance with the procedures provided by the relevant regulations.

Express reference is made to the categories of punishable acts established by the existing sanctioning system, with regard to the contractual rules referred to in the National Collective Bargaining Agreement.

In application of the principle of proportionality, depending on the seriousness of the infringement committed, the following disciplinary sanctions are provided:

- Verbal reprimand or admonition: it applies in the case of the slightest violations of the principles and rules of conduct provided for in the Model;
- Written reprimand or censure: it applies in case of recurrence of the violations referred to in the previous point.
- Fine or suspension from service and salary: it applies in case of non-compliance with the principles and rules of conduct established by the Model, to an extent that is considered of a certain seriousness, even if dependent on recurrence. In particular, this sanction applies in case of violation of the information obligations towards the Board of Directors regarding the commission of crimes, even attempted, as well as in case of violation of measures to protect the confidentiality of the reporter or submission of reports that are unfounded and made with intent or gross negligence. The sanction will also be applied in case of repeated failure to participate, without justified reason, in the training sessions provided by the Company in relation to Decree 231/2001, the organizational, management and control model, and the code of ethics and conduct.

The fine cannot exceed the amount of three hours of salary.

Suspension from service and salary cannot be imposed for more than three days and should be applied for more serious offenses.

- Dismissal for disciplinary reasons: it is imposed in case of adopting a conscious behavior contrary to the provisions of the Model which, even if it does not constitute one of the offenses sanctioned by the Decree, damages the trust element that characterizes the employment relationship or is so serious as to not allow its continuation, not even temporarily.

Among the violations subject to the aforementioned sanction are, by way of example, the following intentional behaviors:

- drafting of documentation required by the Model that is incomplete or untrue;
- failure to draft the documentation required by the Model;
- violation of measures to protect the confidentiality of the reporter or reports of illicit conduct or violations of the Model or the Code of Ethics or Conduct that are unfounded, carried out with intent or gross negligence, where the behavior is so serious as to not allow the continuation of the employment relationship;

- violation or circumvention of the control system provided by the Model in any way, including the removal, destruction, or alteration of documentation related to the procedure, hindering checks, preventing access to information and documentation by those responsible for checks or decisions.

Measures against managers

The violation of the principles and rules of conduct established by the Model by managers, or the adoption of behavior not in compliance with the aforementioned provisions, as well as the violation of measures to protect whistleblowers or the submission of unfounded reports with intent or gross negligence, will be subject to disciplinary measures based on the seriousness of the violation committed.

Constitutes disciplinary misconduct also:

- the failure of supervisory personnel to oversee the correct application, by hierarchically subordinate workers, of the rules provided by the Model;
- the violation of the obligations to inform the Supervisory Body about the commission of relevant crimes, even if attempted;
- the violation of the conduct rules contained therein by the executives themselves;
- the assumption, in carrying out their respective duties, of behaviors that are not in line with conduct reasonably expected from an executive, in relation to the role held and the degree of autonomy recognized;
- the violation of measures to protect whistleblowers;
- the submission, with intent or gross negligence, of reports that prove to be unfounded.

The applicable sanction consists of a written reprimand, in the case of non-serious violation of one or more behavioral rules provided for in the Model.

For more serious cases, the termination of the employment relationship is foreseen, considering the special fiduciary bond that binds the executive to the employer.

Measures against administrators and the board of statutory auditors

The violations that Directors and Auditors may commit are constituted, for example:

- by non-compliance with the principles of conduct or procedures provided for in the Model;
- by violating measures to protect the whistleblower;
- by submitting, with intent or gross negligence, unfounded reports;
- by violating provisions regarding signing powers, and, in general, the delegation system.

The Board of Directors may impose any appropriate measure allowed by law, including the following sanctions, determined according to the seriousness of the act and the degree of fault, as well as the consequences that have arisen:

- written formal warning;
- monetary penalty, taking into account the seriousness of the act, equal to an amount from two to five times the remuneration calculated on a monthly basis;
- revocation, total or partial, of any powers of attorney.

The Board of Directors, in the event of violations by the Directors or Auditors that constitute just cause for revocation, proposes to the Shareholders' Meeting the adoption of the relevant measures and takes care of the additional obligations established by law.

Measures against collaborators, consultants, and other third parties

Any violation of the provisions of the Model by consultants, collaborators, suppliers, agents, wholesalers, distributors, *partners* commercial and by whoever is from time to time contemplated among the “Recipients” of the same, will be considered a contractual breach and sanctioned by the competent bodies based on internal company rules, as established by the contractual clauses inserted in the respective contracts, and in any case with the application of conventional penalties, which may also include the automatic termination of the contract (pursuant to art. 1456 of the Italian Civil Code), without prejudice to compensation for damages.

The procedure for applying sanctions against employees

The procedure for assessment and any application of disciplinary sanctions against employees is carried out in compliance with current regulatory provisions as well as the applicable National Collective Bargaining Agreement and is articulated in the following phases:

- No disciplinary measure more severe than a verbal reprimand can be adopted without first and in writing contesting the charge to the Employee and without hearing their defense;
- The charge must be sent to the Employee strictly within 20 (twenty) days from the date on which the Company became aware of the contested fact;
- The Employee, within the peremptory period of 10 (ten) days from the date of receiving the charge, may request to be heard in their defense with the option of being assisted by a representative of the trade union to which they belong or have given a mandate;
- The disciplinary sanction must be communicated by the Company to the Employee no later than 20 (twenty) days from the expiry of the deadline referred to in the preceding point.

The Employee to whom a disciplinary sanction has been applied, without prejudice to the right to resort to the judicial authority, may, within the following 20 (ten) days, also through the association to which he is a member or to which he grants power of attorney, promote the establishment, through the Provincial Labor and Employment Office, of a Conciliation and Arbitration Board, composed of a representative from each of the parties and a third member chosen by mutual agreement and, in the absence of agreement, appointed by the Director of the Labor Office. The disciplinary sanction remains suspended until a decision is made by the Board.

If the Company does not, within 10 (ten) days of the invitation addressed to it by the Labor Office, appoint its representative within the Board referred to in the preceding paragraph, the disciplinary sanction shall have no effect.

No account shall be taken of any effects of disciplinary sanctions after 2 (two) years from their application.