

Electrolux Professional S.p.A.

ORGANIZATION, MANAGEMENT AND CONTROL MODEL

***pursuant to and in accordance with [Italian] Legislative Decree no. 231 dated 8 June, 2001
Regulations regarding the administrative liability of corporate bodies,
companies and associations, including those not having legal personality***

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REVISIONS

The adoption of the Organization, Management and Control Model and of the subsequent revisions of the same falls within the sphere of competence of the company's Board of Directors.

This section contains a brief description of the successive editions, revisions, additions and modifications of the Model effected from time to time in order to meet the requirements of the Company.

The Company shall promptly distribute the latest edition of the Model as soon as it is approved by the Board of Directors.

TABLE OF EDITIONS

Edition	Date of approval by Board of Directors	Activity
1	02 July, 2004	Adoption of the Organization, Management and Control Model.
2	16 October, 2007	Revised version of the Organization, Management and Control Model for compliance with newly-introduced legislation.
3	03 November, 2008	Revised and updated version of the general and special sections of the Organization, Management and Control Model for compliance with newly-introduced legislation, and control and integration of the prevention protocols.
4	29 March, 2010	Revised and updated version of the Organization, Management and Control Model (especially the special section) for compliance with newly-introduced legislation.
5	20 October, 2011	Revised and updated version of the general and special sections of the Organization, Management and Control Model subsequent to the introduction of a new area of risk relative to environmental crimes.
6	29 October, 2012	Revised and updated version of the general and special sections of the Organization, Management and Control Model subsequent to the introduction of a new area of risk relative to crimes relating to foreign workers without residence permits.
7	11 December, 2013	Revised and updated version of the general and special sections of the Organization, Management and Control Model subsequent to the introduction of the crimes set forth in Law no. 190/2012 relative to undue inducement to give or promise utility and to corruption between individuals.
8	07 April 2017	Complete revision of the Model subsequent to modification of the risk analysis.
9	19 December 2018	Revision of the Model to introduce the guidelines for so-called whistleblowing (ref. L. 179/2017)
10	23 March 2020	Revision of the Model due to spin off from Electrolux Group
11	April 7, 2022	Revision of the Model after updating the risk analysis, with reference to the types of crime mentioned in art. 25- <i>quinqüesdecies</i> and 25- <i>sexiedecies</i> of Leg.Dec. 231/2001

DEFINITIONS

Sensitive activities or areas at risk: the body of corporate activities and/or operations organized in order to pursue a specific purpose or manage a specific business area of Electrolux Professional S.p.A., in areas potentially at risk of committing one or more crimes envisaged by the Decree, as listed in the special part of the Model, also indicated generically and as a whole as risk area(s).

Code of Conduct: the Code of Conduct adopted by the Electrolux Professional Group and the subsequent updates may be consulted on the Electrolux Professional web site and via the company intranet in the section *Policies & Directives*.

Legislative Decree (D.Lgs.) 231/2001: *[Italian]* Legislative Decree no. 231 dated 8 June, 2001 («Regulations regarding the administrative liability of corporate bodies of Companies and Associations including those not having legal personality») and subsequent amendments and additions.

Recipients: the persons indicated in Paragraph 2.3 of this Model.

Electrolux Professional's internal control framework: the framework developed by the Electrolux Professional Group to ensure accurate and reliable accounting and financial reporting.

Entities: legal persons, companies and other associative structures including those not having legal personality.

Group: (hereinafter referred to also as the "**Electrolux Professional Group**"): the Parent Company and the companies belonging to the Electrolux Professional Group.

Confindustria Guidelines (hereinafter "**Guidelines**"): Guidelines to build organizational, management and monitoring models, ex Leg.Dec. 231/2001 approved by Confindustria on March 7, 2002, updated in March 2014 and subsequently in June 2021, available on the internet site for Confindustria.

Guidelines for the utilization of resources and processing of the entity's data: Guidelines approved by the Company's Board of Directors.

Supervisory Body (hereinafter "**SB**" or "**Body**"): the authority provided by art. 6 of the Leg.Dec. 231/2001 in charge of ensuring that the model is functioning and being observed

Supervisory Body (hereinafter referred to also as the "**Body**"): the body specified in art. 6 of D.Lgs. 231/2001 tasked with supervising the operation of and compliance with the Model and its updating.

Partners: the counterparts with which the Company enters into some form of contractually regulated agreement (e.g. temporary association of companies, joint venture, consortium, licence, agency, distributorship, collaboration in general).

Employees: all employees of the Company, including those assigned to the management, administration, supervision and control of the Company, as well as all persons not on the Company's payroll as listed in the *Guidelines for the utilization of the entity's resources* as "outsourced labour", such as, by way of non-limiting example, contract workers, interns, etc.

Strategic processes: processes or phases of a process as part of a determined company activity and/or function during the course of which the risk of the commission of a crime exists.

Prevention protocols: the principles of conduct and control procedures which regulate the activities carried out as part of the strategic processes.

Public officials: public officers and officers designated by the public administration.

Company (hereinafter also referred to as "**Electrolux Professional**" or "**Entity**"): Electrolux Professional S.p.A.

Parent Company: Electrolux Professional AB.

ABBREVIATIONS

c.p.:	Italian Penal Code
c.c.:	Italian Civil Code
c.p.p.:	Italian Code of Criminal Procedure
BoD:	Board of Directors
P.A.:	Public Administration
s.m.i.:	subsequent amendments and additions

STRUCTURE OF THE DOCUMENT

[Italian] Legislative Decree no. 231 dated 8 June, 2001 introduced – for the first time in the Italian judicial system – the rules governing the administrative liability of legal persons, companies and other associative structures including those not having legal personality (also referred to as "Entities") in relation to the commission of certain crimes by the company's management or its employees if such crimes are committed in the interests or to the advantage of said Entity.

Failure to comply with this requirement may render the Entity liable to the application of pecuniary penalties or disqualification sanctions, such as the suspension or revocation of authorizations, licenses or concessions, ban on contracting with Public Administration Agencies, etc. If, however, prior to a crime being committed, the organization's governing body shows it has adopted and effectively implemented an organization, management and monitoring Model suitable for preventing crimes of the type that occurred, the organization is not liable for administrative responsibility, regardless of recognizing the criminal responsibility of the person who committed the crime.

The Company, taking into consideration the Guidelines issued by the Confederation of Italian Industry as well as the internationally-accepted best practices for internal control¹, has arranged for the creation of this Model, which consists of two main sections:

General Section: describes the main content of the Decree and the essential parts of the Model adopted by the Company, with special reference to the Supervisory Body, the training of the employees and distribution of the Model, the system of disciplinary measures and the measures to be adopted in case of failure to comply with the requirements of the Decree.

Special Section *[for internal use]*: for each of the categories of crimes, this section identifies the Company's risk-prone activities and the principles of conduct, as well as the prevention protocols that must be observed in order to prevent and/or reduce the commission of the crimes described in the Decree.

Each Recipient of the Model (cfr paragraph 2.3) is required to be aware of and to observe the principles and rules set forth in the same.

La Società renderà note le finalità ed i contenuti del Modello attraverso i mezzi e le forme che riterrà più adeguati, e meglio specificati al par 2.5.

The Model is published on the company *intranet* in the section "Policies & Directive" and on the Italian country website.

As well as the content set forth below, the following are an integral part of this document:

- 1. Electrolux Professional Code of Conduct**
- 2. Electrolux Professional Group Policies & Guidelines**
- 3. Guidelines for the utilization of resources and processing of the entity's data**
- 4. Regulations relative to the sanctions applicable in the case of any breach of the Guidelines for the utilization of resources and processing of the entity's data.**
- 5. Internal regulations for employees**

¹ One of the most authoritative sources is the US "*Federal Sentencing Guidelines*", from which the "*Compliance Programs*" were later developed. In turn, the "*Compliance Programs*" adopt and re-interpret the notions and structure of the system of internal control described in the "*COSO Report*". The position paper issued by the A.I.I.A. (Italian Association of Internal Auditors), together with the *Sarbanes Oxley Act*, consider the "*COSO Report*" to be the most authoritative international paper describing internal control.

- 6. All directives, internal provisions and operating procedures adopted by the Company and constituting the implementation of the Model content and of the documents listed above.**

Organization, Management and Control Model

GENERAL SECTION

1. LEGISLATIVE DECREE NO. 231 DATED JUNE 8, 2001

1.1 INTRODUCTION

[Italian] Legislative Decree no. 231 dated 8 June, 2001, which contains the "Rules governing the administrative liability of legal persons, companies and other associative structures including those not having legal personality" (also referred to as "Entities") (hereinafter referred to as "Decree 231") introduced to the Italian judicial system the administrative liability of Entities in relation to crimes committed in the interests or to the advantage of said Entity by the company's management and/or the employees subject to the supervision of the same (referred to as "Qualified Subjects").

The liability introduced by the Decree is autonomous and distinct from that applicable in relation to the criminal and/or administrative liability of individual(s).

The Decree specifies the type of crime (referred to as the "predicate crime") which, if committed by a "Qualified Subject", may imply the administrative liability of Entity by which the "Qualified Subject" is employed.

In the event that the Entity is found to be culpable as laid down in the Decree, it will be liable to pecuniary penalties as well as the confiscation of the cost or profit of the crime and, if appropriate, suspension or revocation of authorization, licenses or concessions (exclusion from concessions, loans, grants and subsidies).

The Recipients of the Decree are as follows:

- Companies having legal personality (including those providing a public service and those controlled by the Public Administration);
- Entities having legal personality;
- Companies and Associations with or without legal personality.

However, the Decree shall not be applicable to the following: the State, Territorial Public Entities, other economic public Entities and other Entities performing essential functions.

1.2 THE ELEMENTS CONSTITUTING THE ORGANIZATION'S ADMINISTRATIVE RESPONSIBILITY

1. Subjective prerequisite

The crime must have been committed by a '**Qualified subject**':

- a) **subjects in a senior position** whose function is one of representation, administration or management of the Entity or of one of the Entity's organizational units having financial and functional autonomy (e.g. administrators, general managers, plant managers etc.), or natural persons assigned, *de facto*, to the management and control of the Entity.
- b) **persons subject** to the control or supervision of "subjects in senior positions".

2. Objective prerequisite

The crime must have been committed by a "Qualified Subject" **in the interests or to the advantage of the Entity**.

The **interest** is considered as being the intentional action of the subject who engages in conduct that is relevant in terms of the Decree, who must have acted intentionally (for wilful crimes) or with awareness (for acts of negligence) in order to derive some benefit or advantage not only for themselves but also for the Entity.

The **advantage** consists in the series of benefits/advantages, especially monetary, that might derive from the commission of the crime by the "qualified subject".

In the event that the Subject shall have acted exclusively in their own personal interest (or in the interest of a third party), then the Entity shall not be held responsible.

However, the Entity is responsible – though the pecuniary sanctions are reduced by one half – in the event that the crime was committed in the interest of the Entity but the Entity itself **derived little or no advantage from the crime**.

But in the event the actions taken are "compatible with or intended for" the commission of the crime, but the event itself does not actually take place (referred to as "attempted crime"²), the pecuniary sanctions or disqualifications are reduced by from one third to one half.

Again in the context of the "attempted" crime, the Entity is not subject to sanctions if it **"voluntarily prevents the completion of the act or the realization of the event"**.

The Decree also states that the liability of the Entity is "autonomous", and thus exists even if the perpetrator of the crime has not been identified or cannot be charged or if the charge is quashed for any cause other than amnesty (e.g. death of the offender prior to conviction pursuant to Article 50 c.p. or prescription pursuant to Article 157 c.p., etc.).

1.3 RELEVANT CRIMES ('PREDICATE CRIMES')

The Entity shall be considered responsible if one or more of the crimes (Predicate Crimes) specifically listed in the Decree and its subsequent amendments and additions and belonging to one of the following categories is committed (list to be amended with updates of the Decree):

- 1. Undue receipt of disbursements, fraud to the detriment of the State, of a public body or of the European Union for the achievement of public funds, IT fraud to the detriment of the State or a public body and fraud in public supplies** (art. 24 of the Decree)
- 2. IT- related crimes and unlawful processing of data** (art. 24 *bis* of the Decree)
- 3. Crimes committed by criminal organisations** (art 24 *ter* of the Decree)
- 4. Embezzlement, extortion, undue inducement to give or promise benefits, corruption and abuse of office** (art. 25 of the Decree)
- 5. Forgery of money, money values having legal tender or revenue stamps and instruments or identification signs** (art. 25 *bis* of the Decree);
- 6. Crimes against Industry and Commerce** (art. 25 *bis*-1, Decree 231)
- 7. Corporate crimes** (art. 25 *ter*, Decree 231);
- 8. Crimes committed for purposes of terrorism or crimes designed to subvert democracy** (art. 25 *quater* of the Decree);
- 9. Crimes of female genital mutilation** (art. 25 *quater*-1 of the Decree);
- 10. Crimes against individual freedoms** (art. 25 *quinquies* of the Decree);
- 11. Market abuse crimes** (art. 25 *sexies* of the Decree);
- 12. Manslaughter or serious bodily harm committed with breach of laws governing the safeguarding of health and safety in the workplace** (art. 25 *septies* of the Decree);
- 13. Handling stolen goods, laundering and use of money, assets or benefits whose origin is illegal** (art. 25 *octies* of the Decree);
- 14. Crimes related to infringement of copyright** (art. 25 *novies* of the Decree)

² Article 56 of the [Italian] Penal Code, under the heading 'Attempted Crime', states as follows: "Persons carrying out acts unequivocally intended to the commission of a crime shall respond to charges of 'attempted crime' if the action is not actually carried out or the event does not take place [...]".

- 15. **Inducements not to make statements or to make false statements to the courts** (art. 25 *decies* del Decreto)
- 16. **Racism and Xenophobia** (art. 25 *terdecies* of the Decree)
- 17. **Fraud in sports competitions, abusive gambling or betting and gambling carried out by means of prohibited devices** (art. 25 *duodecies*, of the Decree)
- 18. **Tax offenses** (art. 25 *quinquiesdecies* of the Decree)
- 19. **Contraband** (art. 25 *sexiesdecies* of the Decree)

THE ENTITY IS RESPONSIBLE ALSO IN CASES IN WHICH THE CRIME(S)/PREDICATE CRIME(S) ARE COMMITTED OUTSIDE THE COUNTRY, BUT ONLY IF: A) THE COMPANY'S REGISTERED OFFICES ARE IN ITALY; B) NO PROCEEDINGS ARE CURRENTLY ONGOING AGAINST THE COMPANY IN THE COUNTRY IN WHICH THE CRIME WAS COMMITTED; C) IF SO REQUESTED BY THE MINISTRY OF JUSTICE (WHERE CONTEMPLATED BY CURRENT LEGISLATION).

1.4 SANCTIONS

The sanctions applicable to the Entity in the event of its proven administrative liability as specified in the Decree are listed below:

- **Pecuniary sanction**

Pecuniary sanctions are applicable to all types of predicate crimes; fines are applied for quotas in a number which is no lower than one hundred and no greater than one thousand. The amount of one quota ranges from no less than 258.23 Euro to a maximum amount of 1.549.37 Euro³.

The criteria used by the Judge for determining the *number of quotas* are as follows: the severity of the act, the degree of responsibility on the part of the Entity and the activity performed to eliminate or mitigate the consequences of the act and in order to prevent the commission of further unlawful acts. The *amount* of each quota is set on the basis of the Entity's economic condition and its assets in order to ensure that the penalty is effective.

The penalty is reduced by between one third and one half if, prior to the commencement of court of first instance proceedings:

- the Entity has provided full compensation for the loss or damage and eliminated all harmful or hazardous consequences of the crime or otherwise if it has taken effective action to that end;
- an organisational model has been adopted and implemented which is adequate to prevent crimes of the type occurring.

- **Disqualification measures**

These sanctions are especially afflictive, since they affect the specific activities conducted by the Entity.

They are applied over and above the pecuniary penalties, though only in the event of certain types of crime and exclusively if the organization has obtained 'significant profit' from the crime and 'if the commission of the crime is caused or facilitated by severe organizational shortcomings' or in the event of repeated unlawful acts.⁴

³ This is not applicable to the corporate crimes described in Article 25*ter*, for which the pecuniary sanctions are doubled as set forth in Article 39, section 5 of Law no. 262 dated 28 December, 2005.

⁴ The reiteration of the crime exists "when an Entity which has already been convicted at least once for a violation [...] commits a further violation within the five years subsequent to the definitive sentence" (Article 20, Decree 231)..

Disqualification sanctions are applicable jointly and can consist of:

1. disqualification from exercising the activity;
2. suspension or cancellation of authorisations, licences or concessions serving to commit the unlawful act;
3. prohibition on entering into contracts with the public administration;
4. exclusion from benefits, loans, contributions or subsidies and possible cancellation of those already granted;
5. prohibition on publicising goods or services.

As for the pecuniary sanctions, the Judge – in applying the norms – shall take into consideration the severity of the act, the degree of liability on the part of the Entity and any actions performed by the Entity to eliminate or mitigate the consequences of the act and in order to prevent the commission of further unlawful acts

In addition, in the event that the interruption to the Entity's activity may cause "*serious repercussions to levels of employment*", taking into consideration the "*size and economic conditions of the territory*" in which the Entity is situated, the judge may – in lieu of application of the penalty, and on condition that the penalty is not definitive – order the Entity's activity to continue and to be run by a **Temporary receiver** for a period amounting to the duration of the disqualification which would have been applied.

The disqualification sanctions have a duration of between three months and two years. However, in cases of conviction for one of the crimes indicated in paragraphs 2 and 3, of art. 25 of the Decree, the disqualification sanctions provided for are applied for a duration of no fewer than four years and no more than seven years, if the offense was committed by persons in top positions, and for a duration of no fewer than two years and no more than four, if the offense was committed by a subordinate.

▪ **Publication of the sentence**

If a disqualification order is applied, the Judge may order that the sentence be published at the expense of the convicted Entity in the Municipality in which the Entity has their main registered offices as well as in other places as set forth in Article 36 c.p.⁵

▪ **Confiscation**

When the Entity is convicted pursuant to and in accordance with the Decree, the proceeds and profits of the crime are always confiscated, save for a portion which may be restored to the injured party and without prejudice to rights acquired by third parties in good faith.

When it is not possible directly to effect confiscation of the proceeds and profits of the crime, "*sums of money, assets or other valuable interests equivalent to the proceeds or the profits of the crime*" may be confiscated.

1.5. Exemption from Administrative Liability: The Organization, Management and Control Model

The Decree provides the Entity with a specific form of exemption from liability if the Judge ascertains that the Entity has adopted an "Organization, Management and Control Model suitable for preventing crimes of the kind which have occurred" and that the Qualified Subjects committed the crime by fraudulently by-passing the Model.

⁵ Article 36 of the [Italian] Penal Code states that: "*the sentence [...] shall be published by its posting in the municipality in which the sentence is handed down, in the municipality in which the crime was committed, and in that in which the convicted person had their latest residence [as well as] on the internet site of the Ministry of Justice*". The period of posting on the site is determined by the Judge, and may not be in excess of thirty days. Unless otherwise specified, the period of posting shall be fifteen days.

This exemption is applicable if the Entity demonstrates that they have adopted and effectively implemented **organizational measures and procedures** designed to prevent the commission of the crimes specified in the Decree. The Entity shall not be held liable for the crime if they can demonstrate:

- a) that the Entity's governing body (e.g. Board of Directors) has adopted and effectively implemented, prior to the commission of the crime, an "**Organization, Management and Control Model**" designed to prevent the kind of crime that occurred
- b) that they have entrusted to an "**internal body**" (named by the administrative body) with independent powers of initiative and control the task of supervising the functioning and observance of the Model and its updating.
- c) that the persons committed the crime by fraudulently bypassing the Model.
- d) that there has not been a lack of or insufficient supervision by the internal body described in item b) above.

The Decree also specifies the minimum content of the Organization, Management and Control Model, which must:

1. identify the **risk-prone activities/areas** in relation to which crimes may be committed;
2. provide for specific direct **protocols** intended to "*schedule the definition and implementation of decisions by the body regarding crimes to be prevented*";
3. identify procedures for managing **financial resources** which are fit to prevent the commission of crimes;
4. impose information obligations towards the internal body responsible for ensuring that the model is functioning and being observed;
5. establish a disciplinary system suitable for sanctioning non-compliance with the measures indicated in the Model, violation of protection measures for whistleblowers, and making reports with willful misconduct or gross negligence that prove to be unfounded;
6. provide for one or more channels which, guaranteeing the confidentiality of the whistleblower's identity in managing the report, allow **qualified persons** to submit detailed reports of unlawful conduct, while protecting the organization's integrity, relevant pursuant to this decree and based on precise and consistent factual elements, or violations of the organization's and management model, that they have become aware in the course of the functions performed;
7. ensure prohibition of retaliatory or discriminatory acts, direct or indirect, against the whistleblower for reasons connected, directly or indirectly, to the aforementioned reports.

2. THE COMPANY'S ORGANIZATION, MANAGEMENT AND CONTROL MODEL

INTRODUCTION

The Company has revised its Model according to the indications contained in the Guidelines issued by the General Confederation of Italian Industries (last revision June 2021)⁶.

However, the Company is aware of the fact that said Guidelines, while representing best practice, remain general and abstract, and do not exempt the Company from the obligation of implementing a Model tailored to its specific organizational structure.

⁶ The Electrolux Professional Spa operates in the industrial and metalworking industry and is a member of the General Confederation of Italian Industries (Confindustria).

2.1 DESCRIPTION OF THE COMPANY

Electrolux Professional S.p.A. was incorporated on 17 January, 1958 by notarized deed drawn up and filed by Notary Public Romagnoli (rep. no. 4791).

The Company, whose tax code and registration number in the Register of Companies of Pordenone 00072220932, has its registered offices in Pordenone (PN), Viale Treviso no. 15 and a branch office in Algeria.

The Company's activities comprise the manufacture and sale of food service and laundry professional appliances, and it is also an industrial holding company.

The Company is a part of the Electrolux Professional Group, a corporation listed on the Stockholm stock exchange.

2.2 PURPOSES AND PRINCIPLES OF THIS MODEL

The Model is adopted to create a system of provisions and organizational tools aimed at ensuring that the Company's activities are carried out in full compliance with the Decree, and that any attempts to engage in risky behavior by committing one of the types of crimes envisaged by the Decree are prevented and penalized.

Therefore the Model has the following purposes:

- to improve the *Corporate Governance* system;
- to introduce additional principles and rules of conduct into the Company that are aimed at promoting and enhancing an ethical culture within it, with a view to fairness and transparency while conducting business;
- to prepare a structured and organic system of prevention and monitoring aimed at reducing the risk of committing crimes related to the company activity;
- to establish in all those who work in the name and on behalf of the Company in the "areas of at risk activity", awareness for being able to incur, in the event of the provisions contained therein being violated, an offense subject to sanctions borne by both the miscreant (on a civil, disciplinary and, in some cases, criminal level) and by the Company (administrative liability pursuant to the Decree);
- to inform all those who work in any capacity in the name, on behalf of or in any case in the interest of Electrolux Professional S.p.A., that violation of the provisions contained in the Model will result in appropriate sanctions being applied or the contractual relationship being terminated;
- to reiterate that Electrolux Professional S.p.A. does not tolerate unlawful conduct of any type, and regardless of any purpose, as such conduct (even if the Company was apparently in a position to take advantage of it) is in any case contrary to the ethical principles which the Company intends to abide by;
- to actively censure any conduct in breach of the Model by imposing disciplinary and/or contractual punishments.

The Model that Electrolux Professional S.p.A. has prepared is therefore based on a structured, organic system of protocols and monitoring activities which:

- identify the areas and activities potentially at risk in carrying out company activities, namely those activities where the possibility that crimes may be committed is considered to be the highest;
- define an internal regulatory system aimed at the preventing crimes, including, among others:
- principles that express ethical commitments and responsibilities in conducting business and company activities;
- a system of proxies and powers of attorney for signing company deeds that ensure clear, transparent representation of the decision making and implementation process;
- formalized procedures aimed at regulating the operating and monitoring methods in the areas at risk;
- finding its basis in an organizational structure consistent with the activity the Company carries out, designed with the aim of ensuring, on the one hand, correct strategic-operational management of business activities, and on the other, continuous monitoring of behavior. This monitoring is ensured by establishing clear, organic task assignment, applying proper separation of functions, and making certain that the defined organizational structure as set up is actually implemented, through:
- an organigram that is formally defined, clear, adequate and coherent with the activity the Company performs, with the functions and responsibilities attributed to each organizational unit clearly set out;
- a system of delegated internal functions and powers of attorney to represent the Company externally, ensuring that the functions are clearly and consistently segregated;
- identifying the management and monitoring activities of financial resources in the activities at risk;
- assigning the SB the task of seeing that the Model is functioning and being observed, and proposing updates.

2.3 RECIPIENTS OF THE MODEL

The Recipients and, therefore, those required to respect the Model are:

- A. Members of the corporate bodies (Board of Directors, of the Board of Statutory Auditors, etc.);
- B. Employees of the Company, even those seconded to other Italian and foreign offices within the Electrolux Professional Group;
- C. All other parties – as well as their employees or collaborators – who are involved in the Sensitive Activities (auditors, consultants, agents, distributors, suppliers, contractors, partners, collaborators, including project workers and temporary workers);

The members of the Supervisory Board if they do not belong to the aforementioned categories.

2.4 CREATION OF THE MODEL

Drafting the Model was preceded by **risk mapping and assessing** the activities the Company performs (also known as *Monitoring & Risk Self Assessment*) These are specified below:

- A. Mapping the risk-prone processes and the company functions involved in said processes.
- B. Identifying the crimes that might (hypothetically) be committed during the course of each risk-prone process.
- C. Assigning levels of potential risk to each type of crime.
- D. Analyzing the existing system of preventive measures (see paragraph 2.4.1) in order to verify its suitability for crime prevention.
- E. Assigning the residual risk for each risk-prone process and identifying any further preventive measures to be put in place.

The results of the analysis described above, as well as the monitoring measures identified by the Company for each Sensitive Activity, have been formalized or referred to in the *risk mapping and assessment* report which is an integral part of this Model.

These *risk mapping and risk assessment* activities were also carried out for subsequently updating the Model that results from regulatory or organizational changes that impacted previous mapping.

In 2017, the Company carried out specific risk assessment activities on health, safety and environmental safety in the workplace. Both activities concluded with drafting dedicated *risk assessment* reports which formed the basis of the Special Part "Crimes committed in violating the rules on the protection of health and safety in the workplace" and the Special Part "Crimes committed with violating the rules on environmental protection ". Therefore, each of these reports is an integral part of this Model.

In particular, during 2021, the Company carried out an additional *risk assessment* activity aimed at updating the Model to include tax and smuggling crimes referred to respectively by art. 25-quinquiesdecies and by art. 25 - sexiesdecies of Leg.Dec. 231/2001. The revised and updated version of the Model was formally approved by the Company's Board of Directors during the meeting on April 7, 2022.

2.5 THE PREVENTIVE MEASURES SYSTEM COMPONENTS

The Model prepared by Electrolux Professional S.p.A. is founded on and integrated with a structured, organic internal monitoring system consisting of protocols and rules, tools for defining responsibilities, as well as mechanisms and tools for monitoring company processes, which existed prior to the Model being issued.

The monitoring principles that inspire Electrolux Professional S.p.A.'s internal monitoring system architecture, with particular reference to the Sensitive Activities outlined by the Model and consistent with Confindustria's forecasts, are described below:

- **roles, tasks and responsibilities can be clearly identified** for the subjects participating in performing company activities (internal or external to the organization);
- **duties are segregated** between those who perform an activity operationally, those who monitor it, those who authorize it and those who record it (where applicable);
- **thatex-post operations can be verified and documented:** the relevant activities carried out (especially in the context of Sensitive Activities) must be adequately formalized, with particular reference to the documentation prepared during their implementation. The documentation produced and/or available in hard copy or electronically must be filed in an orderly and systematic manner by the functions/persons involved;
- **that preventive monitoring and ex-post checking, both manual and automatic, can be identified:** manual and/or automatic monitoring must be provided to prevent offenses from being committed, or to detect *ex-post* irregularities that could conflict with the purposes of this Model. This monitoring is more frequent, articulated and sophisticated in the context of those Sensitive Activities characterized by a higher risk profile of crime commission.

The preventive monitoring system components that must be implemented at company level to ensure the Model's effectiveness are attributable to the following elements:

- the Electrolux Professional Group Code of Conduct
- the Group's *Policies & Guidelines*
- Guidelines for the utilizing resources and processing the organization's data
- the Regulations regarding applicable sanctions if the Guidelines are breached for utilizing resources and processing the organization's data
- The internal monitoring system
- Management System for financial flows
- A system of written proxies suitable for corporate hierarchies and employee functions
- Current procedures for each process that is prone to risk
- Communications to and training of the employees
- Internal regulations for Company employees
- System of sanctions/disciplinary measures specified by the National Collective Labor Agreement for the Metalworking Industry.
- Training and preparing employees.

Without prejudice to the provisions of this paragraph having common characteristics relating to all the types of offenses deemed relevant, reference is made to the Special Part for what concerns the protocols having specific characteristics for each Sensitive Activity.

2.5.1 CODE OF CONDUCT

The Code of Conduct contains the values and principles concerning Conduct which the Company, as well as all the Recipients of the Model, intends to apply in its activities, both internal and external.

The Code expresses the approach of the Company and of the entire Electrolux Professional Group in terms of the principles and conduct to be adopted in the specific areas or processes.

The text of the Code of Conduct may be consulted on the company intranet portal and on the Electrolux Professional Group's internet site

The Company's Regulations, which are posted on all the Company's bulletin boards, remind all the Company's employees to observe the terms of the Code of Conduct. Any violation of the principles contained in the Code of Conduct renders the individual liable to the application of the sanctions indicated in the Disciplinary Code (which is also posted on all the Company's bulletin boards).

As regards persons not employed by the Company, each contract includes a clause known as "Clause 231", which requires the contracting party to comply with the Model and the Code of Conduct, and states that any violation of one or both shall be considered as a serious breach and shall justify the resolution of the contract (as laid down in art. 1456 of the *[Italian]* Civil Code).

2.5.2 GROUP POLICIES & GUIDELINES – COMPANY PROCEDURES

Art. 6, paragraph 2, letter b) of the Decree explicitly states that the Model must “*provide for specific protocols aimed at planning that the organization's decisions relating to the crimes to be prevented be shaped and implemented*”.

In particular, these documents make it possible to regulate the activities covered by the Sensitive Activities in more detail, and therefore to guide and guarantee that they are implemented in practicing and monitoring the principles of behavior established in this Model.

For this purpose, the Company Policies and Procedures relating to Sensitive Activities ensure that the following principles are applied:

- that roles, tasks, methods and timing for carrying out the disciplined operational and monitoring activities are clearly formalized;
- that the separation of duties between the person who makes the decision (decision-making impulse), the person who authorizes its implementation, the person who performs the activities, and the person entrusted with monitoring are represented and overseen;
- that each activity relevant to the procedural objective in order to review the results and the evidence of the principles and monitoring activities applied can be traced and formalized;
- that there is an adequate level for archiving the relevant documentation.

These Policies and Procedures applicable to Sensitive Activities and made available by the Company integrate and complete the principles and rules of conduct, as well as the components of the organization, management and monitoring system described or referred to in this Model, and are therefore to be considered an integral part of the organizational protocols defined in the Model itself, useful in order to prevent crimes referred to in the Decree being committed.

The *Policies, Directives & Guidelines* and other updated organizational provisions are available on the company intranet.

An internal *auditing* function centrally verifies that the Company applies the *Policies, Directives & Guidelines*.

2.5.3. ORGANIZATION AND AUTHORIZATION SYSTEM

The Company uses an organizational system which is structured in such a way as provide a formal representation of the hierarchical lines and the distribution of the functions and areas of liability assigned to each of its employees.

One of the elements which typically expresses the organizational structure is *attribution and management of powers* system, whose purpose is to give formal authorization to certain individuals to act in the Company's name and on its behalf, subject to a top limit on expenditure.

Both the organizational system and, indirectly, the system of authorization, are based on the general principle of "segregation of functions", whose purpose is to avoid interference between roles that are potentially incompatible and/or the possibility assigning excessive levels of responsibility and power to a single subject (or to a small number of subjects).

In addition, the Company, with the intention of facilitating mechanisms of verification/control and avoiding the concentration of powers, has established a system for the attribution of powers by which – for all documents which commit the Company in respect of third parties – two

signatures are required (i.e. the signatures on a single document of two individuals holding similar powers).

In addition, if these systems are utilized in the decisional processes, they also ensure that:

- the powers are exercised by those individuals having management and organizational responsibilities that are congruent with the importance and/or critical nature of determines operations.
- the powers and responsibilities are clearly defined, mutually coherent and known within the Company's organization.
- the Company is committed in respect to third parties (clients, suppliers, banks, public administrations etc.) by a determined and limited number of individuals vested with internal powers and/or authorizations.

The system of attribution of powers comprises the following:

1. POWERS OF THE COMPANY ADMINISTRATORS

The Board of Directors may delegate its powers to certain of its members, determining the content, the limits and the method of exercising such powers.

The minutes of the meeting of the Board of Directors conferring such powers is filed with the Chamber of Commerce so that their content may be available to third parties.

2. NOTARIZED PROXIES AND INTERNAL AUTHORIZATIONS

The powers conferred upon members of the Board of Directors may be further delegated by the latter to a subject (a company employee, an employee of another Group company or of another company) by notarized proxy and/or internal authorization.

Notarial powers of attorney and internal authorizations are granted, along with their updating, occur according to established practice.

The *HR* department promptly notifies the *legal*, *administrative* and IT Department of any organizational changes (resignations, dismissals, change of duties) in such a way that there is coincidence between the activity actually carried out by those working on behalf of the Company, their corporate functions/qualifications, and the powers conferred by the Company.

Proxies and internal authorizations are filed in excel format file in a Company Database, which is constantly updated.

The hard copy archive is, on the other hand, kept and edited by the *legal* Department.

2.5.4 INTERNAL MONITORING FRAMEWORK

The Company has implemented the Internal Monitoring Framework envisaged by the Electrolux Professional Group.

This framework was created with the intention of providing a reliable and accurate way of financial Reporting.

However, the Internal Control procedure also includes broader regulations for conduct which define the general principles upon which the Company's operations are based.

Electrolux Professional has adopted a self-assessment approach to internal controls testing. Testing of the controls is carried out in order to ensure that the risks are effectively and correctly mitigated.

The documentation for the tests is revised on an annual basis in order to ensure that they remain complete and effective in light of any operational and organizational changes.

The documentation comprises: a description of the test activity (with details of the person responsible for the testing process), the activity carried out in order to conduct the test and the frequency with which the test is conducted.

Each of the Reporting Units is responsible for conducting the tests.

In addition, Electrolux Professional Group Internal Audit independently carries out some selected tests if applicable

Any tests which give negative results must be repeated after the necessary corrective measures have been applied to the process.

e) Communication

The audit results are communicated to the Management and submitted to outside auditors and the Company's internal auditors.

2.5.5 IT SYSTEMS AND GUIDELINES FOR UTILIZING RESOURCES AND PROCESSING THE ORGANIZATION'S DATA

The Company has implemented manual and computerized procedures designed to establish a series of 'checkpoints' that can be used in each individual process to verify: the purpose of each action; the cycles of authorization, registration and verification of each operation/activity; the procedures for approval and signing (i.e. in respect of the assigned powers); segregation of the functions involved and the tasks assigned within each.

These systems are periodically revised in order to take into account any changes in the Company's procedures, operating practices and organizational system; they are also managed in such a way as to make it possible to maintain the integrity of the operations and the availability (and at the same time the confidentiality) of the information concerning the Company, as required by the terms of [Italian] Legislative Decree no. 196/2003 and subsequent amendments and additions (referred to as the 'Personal Data Protection Code').

The administrative and management systems are interrelated and sequential. They involve the presence of security mechanisms designed to guarantee protected access to the Company's assets and data.

In addition, the Company has adopted *Guidelines for the utilizing its resources and processing the organization's data*, laying out a series of behavioral principles intended to prevent any threats to the Company's information security while the its data is being processed. These operating instructions, which are provided to all Recipients of the Model (see paragraph 2.3), are an integral and coordinated part of the provisions of current legislation, the Company's internal regulations and the specific guarantee provisions set up by each individual structure/office/operating unit.

2.5.6 MANAGEMENT SYSTEM FOR FINANCIAL FLOWS

Management of the financial flows is an especially delicate aspect of the processes identified as most critical since they involve activities that are sensitive or those which are atypical or non-recurrent.

Art. 6, paragraph 2, letter c) of the Decree also explicitly states that the Model must “*identify methods for managing financial resources suitable for preventing the commission of offenses*”. For this purpose, Electrolux Professional S.p.A. financial resources management is defined on the basis of the following general principles to which the actions of those in this area must be referred:

- the subjective segregation of those who: i) take or implement decisions; ii) are required to provide accounting evidence of the operations conducted; and iii) are required to carry out the controls required by current legislation and by the Company's procedures.
- selection of outside contractors (e.g. suppliers, consultants, agents etc.), which must be based on their reliability, quality, transparency and cost.
- monitoring of the services rendered by the outside contractors to the Company; in the event of any conduct that is not in compliance with the Company's ethical principles and/or the principles set forth in this Model, the Company must request the termination of the relationship:
- the establishment of limits to the autonomous use and commitment of financial resources, in line with the rôles, responsibilities and powers assigned to the subjects;
- operations which require the use or commitment of economical or financial resources must be specifically motivated, and must be documented and registered as required by sound accounting principles; the decision-making process for the approval of such operations must be verifiable;
- no payment may be made in cash or in kind except with justified authorization;
- when utilizing its own financial resources, the Company shall utilize only financial brokers and banking intermediaries who are subject to rules of transparency and correctness that are comparable to those of the European Union.

The Company shall arrange for independent auditing and certification of its financial statements.

2.5.7 MANAGEMENT OF DOCUMENTATION

All documentation, irrespective of the support used (printed and/or digital) is handled in such a way as to guarantee that its registration, storage in archives and updating take place in total security.

2.5.8 TRAINING AND INFORMATION PROGRAM

With specific reference to the activities carried out as part of Sensitive Activities, an appropriate, periodic and systematic information and training program is provided and guaranteed for the employees and collaborators involved in them.

The program includes the discussion of corporate governance issues, disclosure of operational mechanisms and corporate organizational procedures relevant with reference to matters relating to Sensitive Activities. These activities integrate and complete the information and training path on the specific subject of the activities the Company carried out in terms of compliance with Leg.Dec. 231/2001, provided for and specifically regulated in the chapters dedicated to this in the General Part of the Model.

2.5.9 DISCIPLINARY SYSTEM

An indispensable component for guaranteeing the effectiveness of the Model itself is the existence of a system of sanctions applicable should there be non-compliance with the corporate rules of conduct and, specifically, the provisions and internal procedures set out in the Model and in the Code of Conduct. With regard to this aspect, please refer to what is fully described below in the context of para. 2.7 of this document.

2.6 DIFFUSION OF THE MODEL

This Model was adopted by the Board of Directors at a meeting held on 2 July, 2004, and is periodically revised as required by significant changes in the Company's organizational structure and modifications in current legislation which have, over recent years, introduced new types of crime.

In order to ensure the effectiveness of the Model, the full knowledge of the rules of conduct contained therein by both those already in the company and those who will become part of it in the future, as well as any other Recipient, is of primary importance, with a different degree of detail according to the different degree of involvement in Sensitive Activities.

2.6.1 TRAINING OF EMPLOYEES

The provision to the Company's employees of adequate and constant training and information regarding the content of the Model is an essential element for its effective and efficient implementation.

For this reason, the Company promotes the knowledge and divulgation of the Model for all new employees (by consigning a folder containing printed copies of the Policies & Guidelines and the Company Regulations) and subsequently at regular intervals during the course of their employment and whenever the Model is updated or revised.

As a result, the Company's employees are fully aware of the principles and objectives contained in the Model and of the procedures that are used by the Company in order to achieve these aims.

The Human Resources Department, working jointly with the Supervisory Body, handles the diffusion of the Model as well as the training of the employees.

The Human Resources Department and the Supervisory Body prepare a joint training plan for the employees by creating specific 'ad hoc' training courses.

Specifically, the diffusion of the Model and the training activities comprise:

a) for all employees

1. notices, sent by e-mail and/or posted on the bulletin boards, describing any modifications to the Model;
2. publication of the Model on the Company's intranet page and posting on the Company's bulletin boards;
3. delivering an information note relating to adopting the Model, and the obligation of the staff to comply with it, to new hires; (***editor's note for the customer: this method of dissemination is not included in the 2021 version of the Model but it could be a good practice to maintain***)
4. reference the principles of the Model in the Company's Regulations and Disciplinary Code;
5. training courses based on e-learning and illustrating the main principles of the Model.

b) for employees responsible for specific supervisory functions or processes within the Company and/or assigned to represent the Entity [in addition to the training activities described in paragraph a) above]:

- a "special section" dedicated to the closer analysis of the types of crimes most relevant for the employees receiving the training (e.g. a module dedicated to the analysis of crimes of "manslaughter and grievous bodily harm" for those having the rôles of employer, supervisor, health and safety manager and health and safety officer,

The persons receiving this training, as the managers of the various company units involved, are required to transmit the knowledge received to the other employees working in the area for which they are responsible.

2.6.2 CONTRACTUAL CLAUSES FOR "OTHER SUBJECTS"

The Company promotes – where appropriate by drawing up special contractual clauses – compliance with the Model by Recipients such as suppliers, consultants, etc..

Each of these subjects is therefore contractually obliged to comply with the principles contained in the model.

2.7 SYSTEM OF DISCIPLINARY ACTIONS

A key tool in ensuring that the Model is effective and ensuring that the Company is shielded from liability is the establishment of an effective "*system of disciplinary actions that can be applied to punish noncompliance with the measures set out in the model*" [art. 6, section 2, paragraph b) and art. 7, section 4, paragraph b) of the Decree].

Thus an adequate and effective system of disciplinary actions is crucial to the effectiveness of the Model.

The disciplinary system is therefore principally an internal function, and the implementation of a disciplinary action is independent of the outcome of any criminal proceedings initiated by the judicial authorities. The application of the punitive measures established by the disciplinary system does not replace any additional sanctions of a different nature (criminal, administrative, civil etc.) which might be applicable to individual cases of a similar type.

Verifying the adequacy of the disciplinary system, constantly monitoring any procedures for imposing any sanctions against employees, as well as going against outside parties, is

entrusted to the SB, which also reports the infringements it becomes aware of while carrying out its own functions.

The persons authorized to apply disciplinary measures are specified in the sections which follow.

The system of disciplinary actions is based on principles of appropriateness, immediacy and proportionality.

The system of disciplinary actions, although founded on the same preventive approach and on the same principles of the gradual and public nature of the sanctions, differs – according to the Recipients – in regard to the applicable discipline and the structure.

The defined disciplinary system may also be applied to SB members, relating to the functions this Model assigned to them.

The Company's disciplinary system may also apply if the requirements with regard to reporting violations (whistleblowing) as established in the Model might have been breached, as set forth in para. 3.6.

2.7.1 Violations of the model

Violations of the Model constitute:

1. behaviors that integrate the types of offenses contemplated in the Decree;
2. conduct which is unequivocally directed towards committing one of the types of offense contemplated in the Decree, even though it does not constitute it as such;
3. conduct that does not comply with the principles of the Electrolux Professional Group Code of Conduct;
4. conduct that does not comply with company procedures;
5. conduct in violation of the preventive monitoring tools referred to in chapter **Error! Reference source not found.** of this General Section;
6. conduct that does not comply with the provisions of the Model or is referred to in the Model and, in particular, does not comply with the monitoring measures in the Special Section and with the Procedures referred to in the Model itself, specifically:
 - relating to the risk of committing a crime against Public Administration, conduct in violation of the general principles of conduct in paragraphs 4 and 5 of the Special Section “Crimes against the Public Administration”;
 - relating to the risk of committing one of the corporate offenses, conduct in violation of the general principles of conduct and prevention protocols contained in paragraphs 3.1 and 3.2 of the Special Section “Corporate Offenses”;
 - relating to the risk of committing an offense of receiving stolen goods, money laundering or using money, goods or utilities of unlawful origin, as well as self-laundering, conduct in breach of the general principles of conduct and prevention protocols contained in para. 3 of the Special Section “Crimes of receiving, laundering or using money, utility goods of illicit origin”;
 - relating to the risk of committing organized crime and transnational offenses, conduct in violation of the general principles of conduct and prevention protocols

- contained in para. 3 of the Special Section “Transnational offenses Offenses of organized crime”;
- relating to the risk of committing the crime of inducing not to make statements or to make false statements to the Judicial Authority, conduct in violation of the general principles of conduct, monitoring procedures and prevention protocols contained respectively in para. 4 and in para. 5 of the Special Section “Crimes of induction not to make statements or to make false statements to the judicial authorities”;
 - relating to the risk of committing crimes of employment of third-country nationals whose stay is irregular and of illicit intermediation and exploitation of work, conduct in violation of the general principles of conduct and prevention protocols contained in para. 3 of the Special Section “Employment of illegally staying third-country nationals and illicit intermediation and exploitation at work”;
 - relating to the risk of committing a cybercrime crime and unlawful data processing, conduct in violation of the general principles and conduct and monitoring Procedures and Prevention Protocols contained in paragraphs 4 and 5 respectively of the Special Section “Computer Crimes and unlawful data processing”;
 - relating to the risk of committing crimes of counterfeiting money, public credit cards, revenue stamps and identification instruments or signs and crimes against industry and commerce, conduct in violation of the general principles of conduct, of the Monitoring Procedures and of the Prevention Protocols contained in para. 4 and 5 respectively of the Special Section “Counterfeiting crimes relating to trademarks and patents and against industry and commerce”;
 - relating to the risk of violating the established regulations on the protection of health and safety in the workplace, from which may arise an accident, an occupational disease involving manslaughter, serious or very serious injury, conduct in violation of general principles of conduct, monitoring procedures and prevention protocols contained in para. 4 and 5 respectively of the Special Section “Crimes committed in violation of the rules on the protection of health and safety in the workplace”;
 - relating to the risk of committing an environmental crime, conduct in violation of the general principles of conduct, of the monitoring procedures and of the prevention protocols contained in para. 4 and 5 respectively of the Special Section “Crimes committed in violation of the rules on the protection of the environment”;
 - relating to the risk of committing a tax offense or a smuggling offense, the conduct in violation of the general Principles of conduct and prevention protocols contained in para. 4 of the Special Section “Tax and smuggling offenses”;
7. acts of retaliation or discriminatory against those who have reported illegal conduct, relevant for the purposes of Leg.Dec. 231/2001, or a violation of the Model, for reasons directly or indirectly connected to the report itself; in this case, the penalty of a fine or disciplinary suspension will be applied, depending on the seriousness of the conduct, or the penalty of dismissal for just cause, if the retaliation act consists in the person reporting being dismissed; if the conduct is carried out by an administrator, one of the sanctions provided for in para. 2.7.5, according to the seriousness;
8. violations of the obligations to keep confidential the identity of the person who made a Report, pursuant to para. 3.6; in this case, the penalty of disciplinary suspension will normally be applied, unless the violation of the confidentiality obligations has caused the whistleblower serious harm, in which case the penalty of dismissal will be applied; if

the conduct is carried out by an administrator or a member of the SB, one of the sanctions provided for in para. 3.6, according to the seriousness;

9. Reports of violations sent pursuant to para. 2.7.5, which prove to be unfounded, if carried out with willful misconduct or gross negligence; in this case, the disciplinary sanctions provided for in the following paragraphs will be applied, and determined according to the seriousness of the conduct.
10. non-collaborative behavior towards the SB, consisting of, by way of example and not limited to, the refusal to provide the information or documentation requested, of failure to comply with the general and specific directives addressed by the SB in order to obtain the information deemed necessary for the " fulfillment of their duties, of the non-participation without justified reason in the inspection visits scheduled by the SB, of the non-participation in the training meetings.

The seriousness of the violations of the Model will be assessed on the basis of the following circumstances:

- the presence and intensity of the intentional element;
- the presence and intensity of negligent, imprudent, imperishable conduct;
- the extent of the danger and/or of the consequences of the violation for those receiving the legislation on the protection of health and safety in the workplace, as well as for the Company;
- the predictability of the consequences;
- the times and methods of the violation;
- the circumstances under which the violation took place;
- recidivism, consisting in the repeated imposition of disciplinary penalties for violations of the Model, as well as in the repetition of disciplinary behaviors, assessed both in their episodic nature and overall (even if not sanctioned).

Furthermore, with reference to the reports of unlawful conduct relevant pursuant to Leg.Dec. 231/2001 and to Reports of violations in para. 3.6, it should be noted that in art. 6, comma 2 *ter* and *quater* of Leg.Dec. 231/2001:

- the adoption of discriminatory measures against whistleblowers may be reported to the National Labor Inspectorate, for measures within its competence, not only by the whistleblower, but also by the trade union organization indicated by the whistleblower;
- retaliatory or discriminatory dismissal of the whistleblower is void. Any change of job within the meaning of Article 2103 of the Civil Code, as well as any other retaliatory or discriminatory measure taken against the whistleblower, shall also be null and void. In the event of disputes subsequent to the presentation of the report that relate to the imposition of disciplinary sanctions, to demotion, dismissal, transfer, or to subjecting the whistleblower to other organizational measures having negative effects, directly or indirectly, on the working conditions, it is the employer's responsibility to demonstrate that such measures are based on reasons unrelated to the report itself.

2.7.2 Measures regarding employees

Non-executive employees who commit violations of the Model or the Code of Conduct are subject to the typical disciplinary power as per art. 2106 of the Italian Civil Code and art. 7 of Law no. 300/1970 (so-called Workers Statute). Violation by non-executive employees of the individual rules of conduct referred to in this Model and in the Code of Conduct constitutes a disciplinary offense in compliance with the "Metalworking Industry" CCNL.

The company has approved a document entitled "*Norms, procedures and disciplinary sanctions applicable to Company employees*" (referred to as the "Disciplinary Code") which, in application of art. 7 of the Workers' Statute, contains the full text of the norms, procedures and disciplinary sanctions specified in the National Collective Labour Agreement, also listing the main duties of the employee.

Said document – which as required by the law governing publication is posted on all the Company bulletin boards – is designed to remind the employees that they are required to conduct themselves with diligence and observance, complying with the company regulations posted on the bulletin boards as well as with all other rules of conduct and company guidelines, irrespective of the manner in which they are made aware of the same.

The Disciplinary Code serves to remind the employees that they are required to comply with the Code of Conduct and the Model, as drawn up in accordance with *[Italian]* Legislative Decree no. 231/2001, both of which express the approach adopted by the Company, in terms both of correct conduct in the workplace and as regards specific areas or processes.

Lastly, the Disciplinary Code establishes that it is the violation of the Company Regulations, of the rules and practices of conduct as well as the Code of Conduct and the Model referred to above, that determines the application of 'typical' disciplinary measures:

- the verbal warning;
- the written warning;
- a fine of no more than three hours' pay;
- suspension from work and pay for up to a maximum of three hours;
- dismissal for misconduct with notice;
- dismissal for misconduct without notice.

Any type of violation of the rules of conduct contained in the Model and in the Code of Conduct, however, authorizes the SB to request the competent company department to start the procedure for disciplinary charges and the possible imposition of one of the penalties listed above, determined on the basis of the seriousness of the violation committed in light of the criteria indicated in paragraph 2.7.1 and of behavior prior to (e.g. any previous violations committed) and after the fact (e.g. communication to the SB of the irregularity) of the person who committed the violation

The Human Resources Department holds the disciplinary power that can initiate the disciplinary procedure pursuant to art. 7 of the Workers' Statute and referred to in the C.C.N.L. - on the initiative of anyone who becomes aware of relevant disciplinary facts.

In any case, the competent corporate department will always keep the SB informed of the sanctions imposed and/or violations ascertained.

In particular, with reference to the violations of the Model committed by the worker, it is envisaged that:

1. an employee who violates the internal procedures envisaged or referred to by this Model or, in carrying out activities in the areas at risk, adopts behavior in violation of the provisions of the Model **incurs verbal warning or written warning** according to the seriousness of the violation or of the Code of Conduct, provided that such conduct does not lead to the application of the measures provided for by the Decree;
2. a worker who violates the internal procedures set out in this Model several times or who, in carrying out activities in the areas at risk, more than once adopts behavior in

violation of the provisions of the Model, shall incur a **fine not exceeding three hours of hourly pay** or of the Code of Conduct, provided that such conduct does not lead to the application of the measures provided for by the Decree;

3. an employee who, in breach of the internal procedures set out in this Model, adopts conduct in breach of the provisions of this Model or of the Code of Conduct while performing activities in areas at risk, thus causing damage to the Company or exposing it to an objective situation that is dangerous to the integrity of its assets, shall be subject to **suspension from service and pay for up to a maximum of 3 days**, provided that such conduct is not in any case unequivocally directed towards the commission of the Offense or does not give rise to the application of the measures laid down in the Decree;
4. The **dismissal for misconduct** shall be applied to any employee who adopts a recidivist behavior in any of the offenses entailing suspension from work and pay for up to a maximum of 3 days, as specified in point (3) above, more than twice in the space of two years, as well as any employee who adopts conduct which does not comply with the provisions of this Model or of the Code of Conduct, and which is unequivocally aimed at committing an offense sanctioned by the Decree, as well as any employee who adopts conduct which is clearly in breach of the provisions of this Model or of the Code of Conduct, such as to determine the concrete application against the Company of the measures provided for by the Decree.

With reference to the risk of committing crimes in violation of the legislation on health and safety at work provided for by art. 25 *septies* of the Decree, also in compliance with the provisions of the Ministry of Labor Circular dated July 11, 2011 no. 15816, concerning the "Organization and management model pursuant to art. 30 Leg.Dec 81/2008", the possible violations are indicated below, graded in increasing order of severity:

1. the employee who does not comply with the Model incurs a **verbal or written warning** in the event that the violation leads to a potentially dangerous situation for the physical integrity of one or more persons, including the perpetrator, and provided that one of the hypotheses envisaged in points 2, 3 and 4 below is not applicable;
2. the measure of a **fine not exceeding three hours' hourly pay** shall be applied to any employee who repeatedly violates the internal procedures laid down in this Model or who, while performing activities in the areas at risk, repeatedly adopts conduct in breach of the provisions of the Model or of the Code of Conduct - provided that such conduct does not give rise to the measures provided for in the Decree being applied - and where the breach causes an injury to the physical integrity of one or more persons, including the perpetrator, and provided that one of the cases provided for in points 3 and 4 below is not applicable;
3. **suspension from work and pay for up to three days** shall be imposed on an employee who: (i) does not comply with the Model, in the event that the violation causes an injury, which can be classified as "serious" pursuant to art. 583, paragraph 1 of the penal code, to the physical integrity of one or more persons, including the perpetrator, and provided that one of the hypotheses provided for in point 4 below is not integrated; (ii) adopts recidivist behavior in any of the offenses that carry the provision of a fine, as specified in point (2) above, more than twice within two years;
4. An employee shall be **dismissed for misconduct** for adopting recidivist behavior in any of the offenses entailing suspension from work and pay for up to a maximum of 3 days, as specified in point (3) above, more than twice within a two-year period, as well as in failing to comply with the Model, if the breach causes an injury qualifying as "very

serious" under art. (3) above, more than twice within a two-year period; this also applies to an employee who does not comply with the Model, in the event that the breach causes an injury, classifiable as "very serious" under Article 583(2) of the CC⁷, to the physical integrity of one or more persons, including the perpetrator.

In the event that the alleged infringement is of particular gravity, the employee may be cautiously suspended from work with immediate effect, up to the time the sanction is imposed, in compliance with the provisions of the Workers' Statute and the aforementioned CCNL.

No disciplinary measure can be adopted without the charges against the worker having been contested and without having heard him in his defense.

Disputing the charges and specifying the fact constituting the infraction will be made in writing, indicating the term within which the worker can present his justifications, and in no case will be fewer than five working days.

The worker may be assisted by a member of the unitary trade union representation.

2.7.3 Measures against Executives

As regards the violations of the individual rules referred to in this Model or the Code of Conduct put in place by Company employees who qualify as 'manager', these also constitute a disciplinary offense.

Any type of violation of the rules of conduct contained in the Model, however, authorizes the SB to request the competent function to impose one of the sanctions listed below, determined on the basis of the seriousness of the violation committed in light of the criteria indicated in paragraph 2.7.1 and of the behavior held prior to (for example any previous violations committed) and after the fact (for example the communication to the SB of the irregularity) by the perpetrator.

The disciplinary measures that may be imposed on the 'managers' - in compliance with the procedures provided for in Article 7, paragraphs 2 and 3 of the Law of May 30, 1970, no. 300 (Statute of Workers), of the collective agreement "Managers - Industry" and any applicable special regulations - are those provided for by the following sanctioning system:

- a. written reprimand;
- b. disciplinary suspension;
- c. dismissal for justified reason;
- d. dismissal for just cause.

⁷ Art. **583 c.p.** Aggravating circumstances

The personal injury is serious and imprisonment from three to seven years applies

1. if the fact derives from illness that endangers the life of the injured person, or illness or inability to attend to ordinary pursuits for more than forty days;
2. if the fact produces the permanent weakening of a sense or an organ;

The personal injury is very serious, and imprisonment from six to twelve years applies, if the fact derives from:

1. a disease that is certainly or probably incurable;
2. the loss of a sense;
3. the loss of a limb, or a mutilation that renders the limb unusable, the loss of the use of an organ or the ability to procreate, or causes permanent and serious difficulty speaking;
4. facial deformation or permanent scarring.

In any case, the competent corporate department will always keep the SB informed of the sanctions imposed and/or the violations ascertained.

In particular, with reference to the violations of the Model that the Company's executives carried out, it is envisaged that:

- if the violation of one or more procedural or behavioral rules provided for in the Model or in the Code of Conduct is minor, the manager incurs a **written reprimand** consisting of a reference to compliance with the Model or the Code of Conduct, which is a necessary condition for maintaining the fiduciary relationship with the Company;
- if the violation of one or more procedural or behavioral rules provided for in the Model or in the Code of Conduct is non-serious but repeated, the manager incurs the provision of disciplinary **suspension from work and remuneration for up to a maximum of 3 days**;
- if the violation of one or more procedural or behavioral rules provided for in the Model or in the Code of Conduct is so serious as to constitute a significant breach, or in the event of recidivism in any of the deficiencies that provide for suspension more than twice in the two years, the manager incurs the provision of **dismissal for justified reason**;
- where the violation of one or more procedural or behavioral rules provided for in the Model or in the Code of Conduct - as specified in the above detailed points - is so grave as to damage the relationship of trust irreparably, not allowing the employment relationship to continue, the manager incurs the provision of **dismissal for just cause**.

For the employees of the Company who qualify as 'manager', the following constitute serious violations of the provisions of the Model:

- non-compliance with the obligation to manage and supervise subordinate workers regarding the correct and effective application of the Model and the Code of Conduct;
- non-compliance with the obligation to manage and supervise other workers who, although not linked to the Company in a subordinate role (as, for example, self-employed workers, Consultants, Collaborators, etc.), are in any case subject to the 'manager's' oversight and supervision pursuant to art. 5 paragraph 1 letter. b) of Leg.Dec. 231/01, without prejudice to the qualification of the contract with these workers.

2.7.4 Measures against 'third party Recipients'

The company has determined that persons other than Company employees are subject to the application of specific clauses contained in their letters of appointment and/or contractual agreements, which state that their failure to comply with any of the principles of the Model and/or commitment for trial and/or conviction for any of the crimes specified in *[Italian]* Legislative Decree no. 231/01 shall be considered as a serious breach of contract and therefore as just cause for the termination of the contract pursuant to and in accordance with art. 1456 of the *[Italian]* Civil Code, as well as the payment of compensation for any damages caused to the Company.

According to the provisions of the specific contractual clauses included in the letters of appointment or in the agreements with them, and according to the seriousness of the violation

found, any violation committed by Third Party Recipients involved in the Sensitive Activities may result in:

- a written warning to comply with the provisions of the Model and the Code of Conduct;
- application of a penalty;
- termination of the contractual relationship, without prejudice to any request for compensation, if this behavior causes damage to Electrolux Professional S.p.A. as in the case of application by the judge of the measures provided for by the decree.

In the event that violation(s) of the Model are committed by contracted or third-party workers or by those engaged under contracts for the provision of works or services, or by agency workers, the Company shall promptly inform the contracting party or third party employer so that they might adopt the appropriate disciplinary measures against their employees and/or collaborators.

Any consequences (such as early termination and/or compensation) resulting from the violations committed by employees and/or collaborators of third-party Recipients shall be charged to the latter by the Company.

2.7.5 MEASURES AGAINST MEMBERS OF THE BOARD OF DIRECTORS (DIRECTORS)

A. MEASURES AGAINST MEMBERS OF THE BOARD OF DIRECTORS (DIRECTORS)

If one or more of the BoD Directors violates the provisions in the Model or the Code of Conduct, the BoD will proceed with all the preliminary activities necessary to verify the alleged violation.

Thereafter, the Board of Directors shall forward to the interested subject and to the Board of Statutory Auditors a report indicating the following:

- a. the contested event and the supporting evidence and an indication of the section of the Model violated;
- b. the person presumed to have committed the violation;
- c. the proposed sanction.

The Board of Directors shall then summon the person involved in order to hear their justification (if any).

If the BoD does not believe it can accept the defenses presented, following a resolution of the Board of Directors to be adopted with the abstention of the interested party and, where required by law and/or by the Articles of Association, with a resolution of the Shareholders' Meeting, it will proceed according to a proportionality criterion to apply one of the following sanctions:

- an order to the perpetrator to desist from the conduct judged as being contrary to the provisions of the Model;
- temporary suspension of the person from their position;
- revocation of the person's appointment.

In particular, with reference to the violations of the Model committed by one or more members of the Company's Board of Directors, it is envisaged that:

- in the event of a non-serious violation of one or more procedural or behavioral rules provided for in the Model or in the Code of Conduct, the member of the Board of Directors shall incur the **written reprimand** consisting of a reminder to comply with the Model or the Code of Conduct, which is a necessary condition for maintaining the relationship of trust with the Company;

- in the event of a serious violation of one or more procedural or behavioral rules provided for in the Model or in the Code of Conduct, the member of the Board of Directors incurs the measure of **temporary suspension from office**;
- in the event of a serious violation of one or more procedural or behavioral rules provided for in the Model or in the Code of Conduct such as to irreparably damage the relationship of trust, the member of the Board of Directors incurs the **revocation of the office**.

Furthermore, for the members of the Company Board of Directors, violation of the obligation to manage or supervise subordinates regarding the correct and effective application of the Model or the Code of Conduct regulations will also constitute a punishable violation.

In case of violation of the Model or the Code of Conduct by the entire Company Board of Directors, the SB will inform the Board of Statutory Auditors so that without delay it can call a Shareholders' Meeting to take the appropriate measures.

In the event of a violation committed by a director who is also an employee of the Company, the same will also be punishable pursuant to the provisions of the previous paragraphs (i.e. disciplinary system for employees or managers), where the conditions are met.

2.7.6 MEASURES AGAINST THE SUPERVISORY BODY

If one or more members of the SB violates the provisions contained in the Model, the BoD will immediately revoke the appointment, after a discussion with the Board of Statutory Auditors.

The Company shall have the faculty of applying disciplinary sanctions that are appropriate to the type of contract existing with the interested party (i.e. employee or appointed member) and of proposing any compensatory measures.

3. THE SUPERVISORY BODY

In order to allow for the application of the mechanism of exemption from liability, Article 6, section 1, paragraph b) contemplates that the supervision of the functioning of and compliance with the Model, as well as its updating, may be assigned to an *"organism within the Company having autonomous powers of initiative and control"*, known as the Supervisory Body.

In the absence of any specific description in the Decree, the characteristics of the Supervisory Body and of its members areas shall reflect those indicated in the Guidelines published by the Italian Confederation of Industries.

3.1 SB APPOINTMENT, COMPOSITION AND OPERATION

The Company SB is a collegiate body composed of two to three internal members determined by the Board of Directors and an external President.

The Supervisory Body members are appointed by the Board of Directors with a decision taken by a majority of its members, and they remain in office until the first meeting of the new Board of Directors, which will renew or modify the same offices.

Before each new appointment, the Board of Directors verifies the existence of the requirements required expressly by the Decree for the SB member, as well as the other requirements mentioned in this chapter.

The Board of Directors periodically assesses the adequacy of the SB in terms of organizational structure and powers conferred.

To regulate its functioning, the SB adopts its own internal regulations, which in no case may be in conflict with the provisions contained in this Model the Company has adopted.

Modification of the SB composition or the assignment of an SB role to a person other than the one identified here, or the modification of the functions assigned to the SB must be approved by the Board of Directors.

The SB member may resign from office or, on the other hand, be re-elected when the mandate expires.

3.2 CAUSES FOR INELIGIBILITY, REASONS FOR AND POWERS OF REVOCATION

The appointment as a Supervisory Body member is subject to the presence of the subjective requirements of good repute, integrity, respectability and professionalism, as well as the absence of the following causes of incompatibility with the appointment itself:

- existence of relations of kinship, marriage or affinity within the fourth degree with members of the Board of Directors, with top management in general, with the Company's statutory auditors and with auditors appointed by the independent auditors;
- existence of conflicts of interest, including potential ones, with the Company such as to prejudice the independence required by the role and duties of the Supervisory Body;
- provision of a surety or other guarantee in favor of one of the directors (or his/her spouse), or have credit or debit relationships with the latter, unrelated to the assignment conferred;
- ownership, directly or indirectly, of shareholdings large enough to allow them to exercise significant influence over the company;
- in the three years preceding the appointment as an SB member, exercise of administrative functions in companies subject to bankruptcy, compulsory administrative liquidation or other insolvency proceedings;
- public employment relationship with central or local administrations in the three years preceding the appointment as an SB member, or the establishment of a consultancy/collaboration relationship with the same body;
- existence of a conviction, even not finalized, or sentence of penalty application on request (the so-called plea bargain), in Italy or abroad, for the crimes referred to in the decree;
- existence of a conviction, even with a sentence that has not been finalized, to a penalty that involves even temporary interdiction from public offices, or the temporary disqualification from managing legal persons and companies;
- existence of a conviction, with a final judgment, or a sentence applying the penalty on request (the so-called plea bargain) in Italy or abroad, for crimes other than those referred to in the decree, which affect professional morality.

With acceptance of the appointment, the SB member issues a specific declaration to the Company in which he/she certifies, under his/her own responsibility, that there are no such reasons for incompatibility.

The rules described above also apply in the event of the appointment of an SB member to replace the previously appointed member.

If a SB member leaves office (e.g. due to resignation or revocation) during the course of the assignment, the Company's Board of Directors will appoint his/her replacement(s).

Removal from the position of SB member, and the assignment of that position to another person, may only take place for just cause, including those related to the organizational restructuring of the Company, by means of a specific resolution the Board of Directors passed by a majority of its members and with the approval of the Board of Statutory Auditors.

In this regard, revocation of the powers associated with the position of Supervisory Body member, "just cause" may be understood, by way of non-exhaustive example:

- the subjective requisites of honor, integrity, respectability and professionalism present in the appointment have been lost;
- there is a reason for incompatibility;
- gross negligence in the performance of the tasks associated with the assignment such as (by way of example only): failure to prepare the half-yearly information report or the annual summary report on the activities carried out by the Board of Directors; failure to draw up a plan of activities;
- the "omitted or insufficient supervision" by the Supervisory Body; in accordance with the provisions of art. 6, paragraph 1, letter d) of the Decree;
- the assignment of operational functions and responsibilities within the company organization that are incompatible with the requirements of Supervisory Body "autonomy and independence" and "continuity of action";
- false declaration regarding the non-existence of the reasons for incompatibility described above.

In particularly serious cases, after hearing the opinion of the Board of Statutory Auditors, the Board of Directors may still arrange suspension of the SB powers and the appointment of an *interim* Body before revoking the SB.

In the event that the SB member of the finds him/herself in a situation of conflict of interest, he/she must immediately report it to the Board of Directors, which will decide accordingly.

3.3 REQUISITES FOR THE SUPERVISORY BODY

The main requisites required of the Supervisory Body in order to assure that its activities are correctly oriented to the purposes set forth in the Decree are indicated below.

Firstly, the activities of the Supervisory Body (which must be considered as a single body and not in terms of its individual members) must enjoy **operative independence and autonomy**, in other words it must be free of any form of interference and/or influence by or from any other Company organ and, in particular, its so-called management body.

The Company – taking into consideration this necessity – has placed the Supervisory Body in a position within the Company's hierarchy which allows it to report directly to the Board of Directors, thus reducing the risk of interference.

The second element required of the Supervisory Body is the **professional expertise** of its members, who must therefore possess the technical and professional skills necessary to monitor and verify the operation of and compliance with the Model.

The individual members of the Supervisory Body possess the technical and professional skills necessary to carry out the functions assigned to them and enjoy the faculty of engaging – subject to an autonomous budget – consultants and other personnel (including Company employees) having the specific skills and expertise necessary to complete their tasks.

The final element consists of the **continuity of their activities**, which requires that the Supervisory Body shall carry out its assigned activities in a constant and capillary manner.

The continuity of their activities is assured by the fact that the Supervisory Body operates permanently within the Company in carrying out its assigned tasks, and its members therefore

have accurate and complete knowledge of the Company's processes and are thus able to identify any critical areas immediately.

For full compliance with the provisions of the Decree, and in order to guarantee its full autonomy and independence in the performance of functions, the SB, as identified above, is an entity that reports directly to the top of the Company (Board of Directors) and is not linked to the operating structures by any hierarchical constraint.

The activities carried out by the SB cannot be reviewed by any other company body or structure, without prejudice to the fact that the Board of Directors is in any case called upon to carry out a supervisory activity on the adequacy of its intervention, as it is ultimately responsible for the Model's functioning and effectiveness.

Each SB member possesses the skills, knowledge and professional competence as well as the requisites of integrity that are indispensable for performing the tasks assigned to them, since they are equipped with suitable inspection and consultancy capacities as well as legal skills in terms of internal control and safety and environmental management systems.

Furthermore, in compliance with Confindustria Guidelines provisions, *best practice* and case law on the point, it is believed that the SB in the composition indicated above has the necessary requisites of independence, autonomy, professionalism and continuity of action.

3.4 FUNCTIONS AND POWERS OF THE SUPERVISORY BODY

The Decree assigns to the Supervisory Body *"the task of overseeing the functioning of and compliance with the models [and] seeing to their updating"*.

Specifically, the Supervisory Body must:

- constantly monitor the absolving effect of the Model, both in terms of the adequacy of the principles, regulations and procedures contained therein, and also in terms of compliance with the same by the various Recipients.
- promptly identify the need to update the Model, following changes in the corporate structure and organization, the reference regulatory framework or other significant events and report it to the Board of Directors.
- at six-monthly intervals, advise the Board of Directors of the results of the control and supervisory activities carried out.
- promptly inform the Board of Directors in the event that any problems or critical situations should emerge which require intervention (described in detail in paragraph 3.4)

The SB must also operate:

- *ex-ante* (e.g. by providing training and information to staff);
- continuously (through monitoring, supervision, revision and updating);
- *ex-post* (analyzing the causes and circumstances that led to violation of the Model's provisions or to the commission of the crime).

In order to achieve these objectives, the Supervisory Body:

1. schedules and periodically effects **verifications** in the field with the purpose of verifying the effectiveness and efficiency of the Model (referred to as Audits) and of its prevention protocols, in relation to the various company functions and processes;
2. in case of necessity, the Supervisory Body suggests to the company units involved that they **integrate and modify the Protocols** so that they adequately regulate the performing of "sensitive" activities;

3. in the event that any non-compliance should emerge, the Supervisory Body identifies and indicates the **corrective measures** to be implemented, subsequently verifying that the company units involved have adopted said measures and reporting to the Board of Directors any problems or critical situations which persist;
4. identifies and imparts instructions for obligatory periodic reporting (referred to as "information flows"⁸) to be adopted by those company functions which operate in the area of "sensitive" processes;
5. periodically verifies that the **mapping of the areas at risk and the strategic processes is complete and correct** and, if necessary, introduces the necessary modifications;
6. checks (using sampling if appropriate) for the **existence and correct maintenance of the documentation** (e.g. contracts, book entries, written procedures, agreements etc.) that are required as specified in each special section of the Model;
7. identifies and monitors the implementation of the periodic initiatives that are necessary in order to ensure the **diffusion and awareness of the Model**, and identifies the content of the **training programmes** for the employees and for all persons working on behalf of the Company.
8. verifies that the **existing system of authorizations and signatory powers** is coherent with the organizational and management responsibilities that are already in place, and proposes (where necessary) their updating and/or modification.

In order to carry out its functions effectively and without hindrance or influence, the Supervisory Body enjoys powers authorizing it to:

- a. access the premises of the Company at any time and without prior notice;
- b. utilize, subject to its own supervision and under its own responsibility, all the Company's structures;
- c. obtain access to all company documents and/or information that might be pertinent to the performance of its functions (e.g. minutes of meetings of the Board of Directors and the Board of Statutory Auditors, result of inspections conducted by third parties or by internal audit, contracts and agreements, etc.);
- d. require the assistance and support of the Company's employees as well as utilize external consultants with proven professional expertise for those cases in which their assistance is necessary;
- e. delegate to the subjects indicated in the previous item any especially complex technical tasks, requiring them to provide their reports;
- f. request the Parent Company to provide documentation concerning the audits conducted at the Company;
- g. ensure that the persons responsible for the various company departments promptly provide the information and/or data requested of them.
- h. request direct depositions from those of the company's employees, administrators and members of the Board of Statutory Auditors who might be in a position to provide information, and request information from the independent auditing company and any third parties providing consultancy or services to the Company (i.e. consultants, commercial partners etc.;

⁸ The information flows utilized for the various types of process are described in the Special Sections.

- i. initiate the disciplinary proceedings or actions required in order to ascertain responsibility, signalling any violations to the respective Company offices or representatives;
- j. monitor the progress of the proceedings thus initiated, verifying the results of the same in order to plan the subsequent actions.

To this end, the SB will be able to:

- issue provisions and service orders intended to regulate SB activity itself;
- access any and all company documents relevant to the performance of the functions assigned to the SB pursuant to the Decree;
- issue directives to the various corporate structures, including top management, in order to obtain from the latter the information deemed necessary to perform their duties, so as to ensure that any violations of the Model are detected promptly;
- carry out periodic checks on the basis of its own activity plan or even spot interventions not scheduled in that plan, but, in any case, deemed necessary to perform its duties.

As part of its activities, the SB could expressly provide for formalized moments of meeting and discussion, in particular with:

- the Board of Statutory Auditors;
- the relevant players in the internal monitoring system.

All the activities carried out by the Supervisory Body (i.e. audits, interviews etc.), with the exception of those which are pertinent only internally, are duly recorded.

The SB shall archive the minutes of each meeting held, the reports received, the information reports sent and the results of the investigation and verification activities carried out in a special archive (computer and paper) for a period of 10 (ten) years, in compliance with the legislation on the processing of personal data.

This archive is confidential and may be accessed only by members of the Supervisory Body itself, the Board of Directors, the Board of Statutory Auditors, and by other persons only if so delegated and authorized in advance and in writing by the Supervisory Body. The data relative to the Supervisory Body and stored on IT supports is subject to the same conditions.

In order to guarantee the principle of autonomy and independence, the Supervisory Body shall enjoy autonomy as concerns its budget and the expenses that are necessary to carry out the functions required to achieve its purpose.

As a consequence, the Board of Directors is required, on request of the Supervisory Body itself, to approve an annual allocation of adequate financial resources.

However, in urgent and exceptional circumstances, the Supervisory Body may, with the authorization of the Country Holding Officer, draw upon funds in excess of the amount allocated. The Board of Directors shall be advised of any such extra spending in a written report.

3.5 SUPERVISORY BODY'S OBLIGATION OF REPORTING TO THE BOARD OF DIRECTORS

As part of its obligation to report to the company's administrative organs, the Supervisory Body is required to provide the Board of Directors **on a continuative basis** with reports detailing the implementation of the Model within the Company.

The Supervisory Body shall **at six-monthly intervals** submit to the Board of Directors a written report describing the implementation of the Model. This report shall contain the following information for the relative period:

1. its activities, especially in the area of inspections and verifications;
2. any critical areas or problems that might have emerged concerning either significant internal events or the effectiveness of the Model and the relative proposals for intervention;
3. reports detailing any changes in current legislation and/or the corporate structure that might require the modification of the Model;
4. any activities that the Supervisory Body was unable to complete and the reasons for the same;
5. any sanction applied by the Company as a consequence of violations of the Model.

The Supervisory Body also submits to the Board of Directors its annual "Supervisory Plan" (hereinafter referred to as the "Plan") which identifies and specifies the areas requiring intervention, the verifications to be carried out and the estimated cost.

This Plan may be modified during the course of the year, but the Supervisory Body shall be required to inform the Board of Directors of the justifications for any modifications introduced.

On the basis of the Plan, the Supervisory Body draws up a schedule of activities, specifying the timelines for the completion of the auditing activities and the timelines for the sending and receiving of the information flows.

Apart from the activities scheduled as part of the Plan, the Supervisory Body may carry out further specific verifications without notice (referred to as non-scheduled audits), in particular in the event that specific reports are received.

The Supervisory Body shall **promptly** report to the Board of Directors any problems emerging during the course of their verification activities, in order to that the Board of Directors might adopt any urgent measures that might be necessary.

In specific terms, the Supervisory Body submits reports concerning the following:

1. any violation of the Model from which there emerge urgent critical aspects requiring immediate analysis;
2. supervening organizational and/or procedural shortcomings which, if not remedied, may result in an increase to unacceptable levels of the risk as assessed by the Supervisory Body on the basis of the pre-existing situation;
3. any changes in current legislation that might be of particular significance in the implementation and effectiveness of the Model;
4. failure of the various company areas to collaborate (in particular, the refusal to provide the Supervisory Body with the requested documentation or data, or the hindering of its activities);
5. proceedings and/or advice of crimes received from organs of the judiciary police or from any other authority, from which it is possible to evince the conducting of enquiries against the Recipient(s) indicated in paragraph 2.3 or against unknown persons for the crimes described in the Decree;
6. the conducting and results of said proceedings.

The Supervisory Body may in turn be convened at any time by the Board of Directors or the Board of Statutory Auditors.

3.6 INFORMATION OBLIGATIONS TOWARDS THE SB

Article 6, section 2, paragraph d) of the Decree states that there must be provisions for "*obligations to disclose information to the Supervisory Body*".

In general terms, such obligations may be considered as comprising a periodic examination of the results of the control procedures carried out by each of the company functions involved in order to identify any anomalies or atypical elements.

The Company's Supervisory Body receives two types of "information flows":

A. Periodic information flows

These are specifically considered as being part of the special section of the Model (to which reference is made for the specific content), and are as follows:

- The submission of six-monthly reports concerning health, safety and the environment, to be drawn up the Employers.
- The submission of Audit Reports drawn up by other supervisory bodies (i.e. DNV, CSC, CSQ) and relevant in terms of prevention.
- Monthly reporting by the competent Human Resources Departments (HRBPs and Onsite HR Specialist) of any disciplinary charges and of any measures taken against employees.

B. Event-related information flows

The SB must receive any (possible) other information relating to implementing the Model, especially where it is believed that certain events may give rise to Company responsibility itself pursuant to the Decree. By way of example, the following can be identified:

- provisions and/or information received from organs of the judiciary police or from any other authority (administrative, accounting, financial etc.) from which it is possible to evince the initiation or conducting of enquiries – including those against unknown persons – for the crimes or administrative violations described in the Decree;
- requests for legal assistance made by employees in the event that judicial proceedings are brought against them for any of the crimes described in the Decree;
- possible shortcomings in current procedures and/or justifiable indications of the necessity of modifying the Model or the Protocols;
- notice of the commencement of operations of special importance or those whose risk profile is such as to discern the reasonable possibility of the commission of a crime;
- the results of control activities put in place in other areas of the company and from which there emerge facts, actions, events or omissions which are judged as being critical to compliance with the conditions of the Decree;
- notices requesting the disbursement and/or utilization of public funding.

The "periodic" and "event" information flows, provided for by the Model or by the SB, must be sent to the *e-mail* address organism.vigilanza@electroluxprofessional.com.

The rules governing the information flows to the SB in terms of frequency, methods of transmission and responsibility for transmission are regulated in detail in a specific procedure or organizational provision defined and issued by the Supervisory Body itself ("Procedure for the management of information flows to the Supervisory Body pursuant to Leg.Dec. 231/2001").

C) Reporting of violations (so-called Whistleblowing)

The Company guarantees accessibility for all recipients to one or more channels which enable them to submit, in order to protect the integrity of the organisation, substantiated reports of irregularities or offences (hereinafter "Reports of violations") concerning:

- unlawful conduct, presumed or actual, relevant pursuant to Leg.Dec. 231/2001 and based on precise, concordant facts;
- alleged or effective violations of the Model or Code of Conduct adopted by the Company.

All the Recipients of the Model may submit Reports concerning violation in the event that they consider in good faith that unlawful conduct or violations of the Model or of the Code of Conduct, which have come to their knowledge as part of the functions they perform, have taken place.

The Reporting of a violation is deemed as being in good faith when it is substantiated and made on the basis of reasonable conviction based on precise and substantiated factual elements.

In order to submit and manage Reports of violations, the Company has provided two different, alternative channels that recipients are bound to activate:

- **CHANNEL no.1: _____ dedicated PEC certified e-mail box segnalazioni@electroluxprofessionalpec.it** (preferential channel), to the Electrolux Professional S.p.A. Supervisory Body address This email box can only be accessed by the SB, which will take care of treating the Reports received with the utmost confidentiality to protect the identity of the whistleblower.

- **CHANNEL no. 2: confidential letter** sent to Electrolux Professional S.p.A. Supervisory Body, c/o main post office, located at "Viale Treviso, 15 – 33170 Pordenone".

It should also be noted that, with regard to reports of violations of the Code of Conduct, these can also be made through the Electrolux Group's reporting system called "Ethics Helpline" and referred to by the Code of Conduct itself.

In order to submit and manage Reports of violations, the Company has drawn up specific rules and a whistleblowing process in a special procedure called "Whistleblowing System".

The subject identified by the Company as responsible for managing the Reports of violations is the Supervisory Body, whose job shall be to receive the Reports and investigate issues arising through the reporting channels also by listening to the person who made the Report and/or the one responsible for the alleged violation. and also with the support of other company functions or outside consultants.

The Supervisory Body shall evaluate the Reports of violations received with discretion and a sense of responsibility, investigating by also hearing the person who made the report and/or the person responsible for the alleged violation. The Supervisory Body shall also promptly inform the BoD of Reports considered founded and/or ascertained (please refer to paragraph 3.4 above).

The confidentiality of the Reporter's identity and of the information is ensured in every context following the receipt of the Report of the violation if it is made in good faith, except in the case of legal obligations and protection of the rights of the Company or of persons acting in bad faith. The report is understood to be made in good faith when it is made on the basis of a reasonable belief based on factual and detailed elements.

Reports of violations can also be anonymous but they must describe in a substantiated way the facts and persons involved in the report. Anonymous reports of violations shall be taken into account that demonstrate serious-mindedness and credibility with regard to the issue raised as well as the likelihood that the fact is confirmed by reliable sources. The Company however recommends that reports be named to allow those appointed to make more effective enquiries whilst applying the safeguards provided.

Any form of retaliation, discrimination or penalisation, for reasons connected, directly or indirectly, to the report of a violation is strictly prohibited, this without prejudice to the right of

those entitled to safeguard themselves in the event that the criminal or civil liability of the Reporter with regard to the falsity of statements is ascertained, excepting those cases required by law.

Also where the facts reported prove to be unfounded and/or inconsistent, on the basis of assessments and inquiries carried out, a Reporter who has made a Report in good faith may not be sanctioned.

Reports of violations devoid of any substantial element to support them (for example because they report mere suspicions or rumours), which are too vague or poorly substantiated, or are evidently defamatory or slanderous in content, shall not be taken into consideration

The following constitute disciplinary offences that may be sanctioned in compliance with provisions set out in paragraph **Error! Reference source not found.** of the Model and Disciplinary Code:

- violation of the obligation to keep the identity of the reporter confidential;
- violation of the reporter's protection measures and in particular violation of the provisions prohibiting retaliation, discrimination and penalisation for reasons connected, directly or indirectly, with the Report of the violation;
- Reports made with intentional wrongdoing or gross negligence that prove to be unfounded (in this case the evidence from the procedure will be made available to the accused party so that he may protect himself in the appropriate forums).