KRYALOS

ORGANIZATION, MANAGEMENT AND CONTROL MODEL pursuant to Legislative Decree No. 231 of 2001

Approved by the Board of Directors of Kryalos SGR S.p.A. on 21.12.2017 and subsequently amended on 31.05.2018, 25.06.2019, 30.01.2020, 7.05.2020, 29.06.2020, 16.12.2021, 27.10.2022, 21.06.2023, 28.11.2023, 30.01.2025 and 22.04.2026

Contents

DEFINITIONS

Kryalos: Kryalos SGR S.p.A. (hereinafter the "Company" or "Kryalos"), with registered office at Corso di Porta Nuova no. 19, Milan (Italy), share capital € 1,000,000.00 fully paid up, registered under No. 88 of the SGR (Asset Management Companies) Register held by the Bank of Italy pursuant to Legislative Decree No. 58 of 1998, Economic and Administrative Index (REA) MI – 1795611, Fiscal Code and VAT No. 05083780964 – website: www.kryalossgr.com;

Kryalos Investments S.r.l.: single member of Kryalos SGR S.p.A., with registered office at Corso di Porta Nuova No. 19, Milan (Italy), Fiscal Code and VAT No. 08691990967.

Safeguard Clause: the standard clause concerning Legislative Decree No. 231/2001 (attached to this Model) provided for in contracts with consultants, suppliers, and collaborators of the Company.

Code of Ethics: the code of conduct adopted by the Company.

Consultants: individuals hired from outside the Company who, due to their professional skills, provide services for or on behalf of the Company on the basis of a mandate or other professional arrangement.

Decree or Legislative Decree No. 231/2001: Legislative Decree No. 231 of 8 June 2001 as amended.

Confindustria Guidelines: the guidance document by Confindustria (approved on 7 March 2002 and updated in March 2014 and June 2021) for the preparation of the Organization, Management and Control Models specified in the Decree.

Model or Organizational Model: this Organization, Management and Control Model adopted pursuant to Legislative Decree No. 231/2001.

Supervisory Body or SB: body provided for in article 6 of the Decree, responsible for monitoring the implementation of and compliance with the Organizational Model and for its updates.

Top Management: persons serving as representatives, or holding administrative or senior executive positions within the Company or one of its units with financial and functional autonomy, as well as persons acting as the de facto managers or supervisors of the Company.

Subordinates: persons under the direction or supervision of Top Management.

Partners: natural or legal persons with which the Company has negotiated any form of cooperation regulated by contract.

SUMMARY

Introduction

Kryalos is aware of the need to ensure fairness and transparency in conducting business and other activities, in order to protect its position and corporate image, the expectations of its shareholders and the work of its employees and collaborators.

In compliance with Company policy, Kryalos has formalized the Organizational Model required by Legislative Decree No. 231/2001.

Accordingly, the Company launched a project to analyse the organizational, management and control tools it employs, in order to determine whether the existing rules of conduct and procedures are consistent with the objectives set out in the Decree.

The Model and principles set out therein govern the conduct of the Corporate Bodies (i.e. the Board of Directors, the Board of Statutory Auditors and their members), employees, collaborators, consultants, suppliers, clients, and, more generally, all those who, in any capacity, are involved in "sensitive" activities on behalf or in the interest of the Company (hereafter, the "Recipients" as further defined below).

The Model was formally adopted by the Company's Board of Directors on 21 December 2017, for the purposes of implementing the principles of sound management laid down in the Decree, and it has subsequently been subject to various updates.

Purpose of the Organization, Management and Control Model

The Model adopted by Kryalos aims to represent the system of operational and behavioural rules that regulate the Company's activities, as well as the additional controls implemented by the Company to prevent the commission of the different types of offences covered in the Decree.

Kryalos conducts its business in strict compliance with all applicable laws and regulations.

By adopting the Model, the Company intends to pursue the objective of ensuring the widest possible dissemination of a culture of compliance among its employees and those involved with the Company.

In particular, this document aims to:

- inform all individuals working, in the name of or on behalf of the Company, in at-risk areas (areas where offences might be committed) and in areas that play an instrumental role in committing the offences set out in the Decree, of the consequences of a criminal or noncriminal nature, that may result from the violation of the aforementioned laws and regulations, for both the individual and the Company;
- emphasize the fact that individuals engaging in these forms of unlawful conduct will be punished by the Company as such actions are against the law and the ethical principles that Kryalos seeks to follow in the performance of its mission;
- enable the Company, by constantly monitoring areas considered to be at risk or play an instrumental role in the commission of an offence, to take swift action to prevent or impede the commission of offences.

Document structure

The Model adopted by Kryalos is divided into three Sections:

- Section I contains a general description of the regulations in the Decree;
- Section II concerns the General Part of the Model specifically adopted by the Company;
- Section III concerns the Special Part of the Model specifically adopted by the Company.

The following documents are an integral part of the Model:

1. Code of Ethics;
2. Disciplinary System;
3. "Safeguard" Clause;
4. Diagram of the Heads of the Functions responsible for at-risk areas;
5. Information flows to the Supervisory Body;
6. Prevention protocols;
7. Security procedures;
8. PR 33 "*Whistleblowing Procedure*" of 28.11.2023.

Recipients of the document

The document is intended for all persons within the corporate organization of Kryalos who:

- serve as representatives, or hold administrative or senior executive positions within the Company or one of its units with financial and functional autonomy, as well as persons acting as the de facto managers or supervisors of the Company;
- are under the direction or supervision of one of the persons referred to in the point above.

Hence, in the context of their specific roles, the recipients of the Model's instructions include the Company's Directors and Statutory Auditors, employees, collaborators, as well as consultants, suppliers, and, broadly speaking, anyone who, in any capacity, operates within the "sensitive" activities of the Model on behalf of or in the interest of the Company.

Section I – Legislative Decree No. 231 of 2001

1.1 *The administrative liability of legal entities*

Legislative Decree No. 231 was issued on 8 June 2001, pursuant to the enabling provisions of article 11 of Law No. 300 of 29 September 2000. The purpose of this Decree was to harmonize domestic provisions on the liability of legal entities with certain international Conventions previously signed by Italy, including the Brussels Convention of 26 July 1995 (on the protection of the financial interests of the EU) and the Brussels Convention of 26 May 1997 (on the campaign against corruption involving Officials of the European Community or Member States), and the OECD Convention of 17 December 1997 (on the campaign against corruption of foreign Public Officials in financial and international transactions).

Legislative Decree No. 231/2001, which lays down the "Provisions on the administrative liability of legal entities, companies and associations, including those without legal personality", introduced into the Italian legal order an administrative liability regime applying to entities for a series of offences committed in the interest of or to the advantage of an entity by its Directors, employees and collaborators.

This new form of liability of entities is generally of a "mixed" nature. It is unique because it is a type of liability that combines the essential aspects of the criminal system with the administrative system. Based on the Decree, in fact, the Entity is punished with an administrative penalty where it is liable for an administrative offence, but the penalty system is based on criminal proceedings: the competent Authority disputing the offence is the Public Prosecutor's Office, while the criminal court Judge is responsible for imposing the penalty.

The administrative liability of the Entity is distinct and independent from that of the individual who commits the offence, even if the perpetrator of the offence has not been identified, or if the offence has been discharged for a cause other than amnesty (article 8 of the Decree). In any case, the liability of the Entity is always added and never substituted for that of the individual who perpetrated the offence.

The scope of the Decree is very broad and covers all legal entities, companies, associations even non-legal entities, public for-profit entities, private sector concessionaires of a public service. The legislation does not apply to the State, local governments, non-profit public bodies, and bodies which perform constitutional functions such as political parties and trade unions (article 1 of the Decree).

The Decree does not make reference to entities not established in Italy. However, case-law has established, in this regard, under the principle of territoriality, the existence of jurisdiction of the Italian courts for offences committed by foreign entities in Italy[1].

1.2 *Offences that determine the administrative liability of the Entity*

The Entity may be held accountable only for those offences – known as predicate offences – laid down in the Decree or by any law that came into force before the offence was committed.

As of the date of approval of this document, the predicate offences in this category are:

- crimes against Public Administration (articles 24[2] and 25);

[1] See order of the examining Magistrate (GIP) of the Court of Milan, ruling of 27 April 2004.

[2] On 25 February 2022, Decree-Law No. 13/2022 was published in the Official Gazette, containing "*Urgent measures to combat fraud and for occupational safety in construction, as well as on electricity produced by plants that use renewable sources*" (so-called "Fraud Decree"), aimed at strengthening the fight against fraud on the matter of public funds. Article 2

- computer crimes and unlawful data processing (art. 24-bis);
- organized crime (art. 24-ter)
- counterfeiting of money, in public credit cards, duty stamps and identification instruments or marks (art. 25-bis);
- crimes against industry and commerce (art. 25-bis 1)[3];
- corporate offences (art. 25-ter);
- crimes of terrorism and subversion of democratic order (art. 25-quater)[4];
- female genital mutilation practices (art. 25-quarter 1);
- crimes against the individual (art. 25-quinquies);
- market abuse (art. 25-sexies);
- wrongful death or injury or grievous bodily harm, committed in violation of the rules on occupational health and safety (art. 25-septies);
- crimes of receiving, laundering and use of money, goods or assets of illicit origin and self laundering (art. 25-octies.1);
- crimes relating to the violation of EU restrictive measures (Article 25-octies.2)[5];
- offences relating to non-cash means of payment and fraudulent transfer of valuables (art. 25-octies.1)[6];
- offences related to copyright infringement (art. 25-novies)[7];
- inducement to withhold statements or to make false statements to Judicial Authorities (art. 25-decies);
- environmental crimes (art. 25-undecies);
- employment of illegally staying third-country nationals (art. 25-duodecies);

of the Decree, concerning "*Sanctions against fraud on the matter of public funds*", amended the heading and text of articles 240-bis, 316-bis and 316-ter of the Italian Criminal Code. That Decree-Law was repealed and replaced by Decree-Law No. 4 of 27 January 2022, conv., with amendments, into Law No. 25 of 28 March 2022. Pursuant to art. 1, paragraph 2 of Law No. 25/2022, the acts and measures adopted shall remain valid and the effects produced and the legal relationships that arose on the basis of such Decree-Law No. 13/2022 shall remain unaffected. Most recently amended by article 5, paragraph 1, letter a), number 2) of Legislative Decree No. 75 of 14 July 2020, and subsequently by art. 6-ter, paragraph 2, letter a) of Decree-Law No. 105 of 10 August 2023, converted with amendments by Law No. 137 of 9 October 2023.

[3] Article 517 of the Italian Criminal Code was amended by Law 20672023. The legislator has extended the offence of "selling industrial products with misleading signs", for which the amended article 517 of the Italian Criminal Code (formerly a predicate offence for the administrative liability of entities pursuant to article 25-bis1 of Legislative Decree No. 231/2001) also punishes the mere possession of the product for sale. The expansion sought by the legislator is aimed at fostering the growth of the national economy – enhancing and promoting products of excellence, cultural heritage and national cultural roots.

[4] Con la legge 80/2025 è stato introdotta la nuova fattispecie di Detenzione di materiale con finalità di terrorismo ex art. 270 quinquies 3: "*Chiunque, fuori dei casi di cui agli articoli 270 bis e 270 quinquies, consapevolmente si procura o detiene materiale contenente istruzioni sulla preparazione o sull'uso di congegni bellici micidiali di cui all'articolo 1, primo comma, della legge 18 aprile 1975, n. 110, di armi da fuoco o di altre armi o di sostanze chimiche o batteriologiche nocive o pericolose, nonché su ogni altra tecnica o metodo per il compimento di atti di violenza ovvero di sabotaggio di servizi pubblici essenziali, con finalità di terrorismo, anche se rivolti contro uno Stato estero, un'istituzione o un organismo internazionale, è punito con la reclusione da due a sei anni*".

[5] Article introduced through Legislative Decree 211/2026, in force since 24 January 2026. The Italian legislator implemented EU Directive 2024/1226, also amending the Criminal Code and Legislative Decree 231/2001.

[6] Article inserted by art. 3 of Legislative Decree No. 184 of 29 November 2021, in force as of 14 December 2021, on the implementation of the EU Directive 2019/713 on combating fraud and counterfeiting of non-cash means of payment and replacing Council Framework Decision 2001/413/JHA. Heading subsequently amended by article 6-ter, paragraph 2, letter b), No. 3) of Decree-Law No. 105 of 10 August 2023, converted with amendments by Law No. 137 of 9 October 2023.

[7] On 8 August 2023, Law No. 93 of 14.07.2023 on "*Provisions for the prevention and suppression of the unlawful dissemination of copyright-protected content via electronic communication networks*" came into force, which amended art. 171-ter of Law No. 633/1941 by preventing *Digital Piracy.*

- racism and xenophobia (art. 25-terdecies);
- fraud in sports competitions, unlawful gaming or betting and gambling
- by means of prohibited devices (art. 25-quaterdecies);
- cross-border crimes (art. 10 of Law No. 146 of 16 March 2006)[8];
- tax offences (art. 25-quinquesdecies)[9];
- smuggling offences (Art. 25 sexiesdecies)[10];
- offences against cultural heritage (art. 25-septiesdecies)[11];
- laundering of cultural assets and devastation and looting of cultural and landscape heritage (art. 25-duodevicies)[12];
- crimes against animals (Article 25-undevicies)[13].

1.3 Criteria for attributing administrative liability to an Entity. Exemption from liability following the adoption of the Organization, Management and Control Model

An offence attributable to the Entity based on Legislative Decree No. 231/2001 does not constitute vicarious liability, in accordance with article 2049 of the Italian Civil Code on liability for offences

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[8] The list of offences has been expanded since the original list included in the Decree. Changes to the types of offence provided for by the Decree have taken place on the basis of the following legislation: Decree-Law No. 350 of 25 September 2001, which introduced article 25-bis "Counterfeiting of money, public paper and duty stamps", later expanded and amended to "Crimes of counterfeiting money, public paper, duty stamps and identification instruments or signs" by Law No. 99 of 23 July 2009; Legislative Decree No. 61 of 11 April 2002, which introduced article 25-ter "Corporate Crimes"; Law No. 7 of 14 January 2003, which introduced article 25-quater "Crimes for the purpose of terrorism or subversion of the democratic order"; Law No. 228 of 11 August 2003, which introduced article 25-quinquies "Crimes against the individual"; Law No. 62 of 18 April 2005, which introduced art. 25-sexies "Market abuse"; Law No. 7 of 9 January 2006, which introduced art. 25-quater "Female genital mutilation practices"; Law No. 146 of 16 March 2006, which provides for the liability of entities for cross-border crimes under art. 10; Law No. 123 of 3 August 2007, which introduced art. 25-septies "Manslaughter or serious or very serious injury, committed violating accident prevention and health and safety in the workplace rules", subsequently amended to "Wrongful death or injury or grievous bodily harm, committed in violation of the rules on occupational health and safety" by Legislative Decree No. 81 of 9 April 2008; Legislative Decree No. 231 of 21 November 2007, which introduced art. 25-octies "Crimes of receiving, laundering and use of money, goods or assets of illicit origin"; Law No. 48 of 18 March 2008, which introduced art. 24-bis "Computer crimes and unlawful processing of data"; Law No. 94 of 15 July 2009, which introduced art. 24-ter "Organized crime"; Law No. 99/2009 – mentioned above – which introduced art. 25-bis1 "Offences against industry and commerce" and art. 25-novies "Offences related to copyright infringement"; Law No. 116 of 3 August 2009, which introduced art. 25-novies (hereinafter renumbered art. 25-decies by Legislative Decree No. 121 of 7 July 2011) "Inducement to withhold statements or to make false statements to Judicial Authorities"; Legislative Decree 121/2011 – mentioned above – which introduced article 25-undecies "Environmental crimes"; Legislative Decree No. No. 109 of 16 July 2012, which introduced article 25-duodecies "Employment of illegally staying third-country nationals"; Law No. 190 of 6 November 2012, which amended articles 25 and 25-ter; Law No. 186/2014, which provided for self laundering as a predicate offence for the purpose of the entities' administrative liability, including the new article 648-ter of the Italian Criminal Code to article 25-octies of Legislative Decree No. 231/2001.

Law No. 68/2015 amended article 25-undecies of Legislative Decree No. 231/2001, introducing new environmental crimes. Law No. 69/2015, published in the Official Gazette No. 124 of 30 May 2015 "*Provisions on crimes against the Public Administration, mafia-type associations and false accounting*", has stiffened penalties for the crimes against the Public Administration, affecting, moreover, "*false company statements*" as per art. 2621 of the Italian Civil Code and "*false company statements of listed companies*" as per art. 2622 of the Italian Civil Code.

[9] Article added by Law No. 157/2019 and Legislative Decree No. 75/2020.

[10] Article added by Legislative Decree No. 75/2020. By Legislative Decree No. 141/2024 "National complementary measures to the Union Customs Code and amendment of the penalty system concerning excise duties and other indirect taxes on production and consumption", this article has been integrated by referring to the criminal provisions contained in the Decree itself and to the Consolidated Excise Law.

[11] Article added by Law No. 22 of 9 March 2022, which entered into force on 23 March 2022. Law No. 6/2024 tightened the penalties under this heading.

[12] Article added by Law No. 22 of 9 March 2022, which entered into force on 23 March 2022.

[13] With the entry into force, on 1 July 2025, of Law No. 82 of 6 June 2025—also known as the 'Brambilla Law'—the legislator intended to take a further step toward recognizing the direct criminal-law protection of animals as legal interests deserving autonomous protection, beyond human sentiment or property-related considerations.

committed by an employee or appointees, or the provisions laid down in article 197 of the Italian Criminal Code.
The Entity is punished for its own liability. Its liability is grounded on the possibility of extending a reprimand directly to it, in accordance with art. 27 of the Constitution, for the fact that the offence is to be considered as facilitated by a misleading corporate policy or, in any case, the result of organizational negligence.
As effectively observed by the Joint Divisions, the liability of an Entity is grounded, therefore, on guilt in a normative sense, based on the obligations of these types of organizations to adopt the necessary measures to prevent the perpetration of certain offences, by adopting organizational and operational types of actions based on a "Model" that identifies the risks and outlines the measures to counter them. Therefore, the Entity is at fault for failing to fulfil this obligation[14].
Legislative Decree No. 231/2001 expressly provides, in articles 6 and 7, for exemption from administrative liability for offences committed to one's own advantage and/or interest if the Entity has adopted and effectively implemented Organization, Management and Control Models, which are capable of preventing the offences introduced by the Decree.
An adequate organization is the only tool capable of shielding an Entity from "liability" and, as a result thereof, preventing the imposition of penalties.
In the case of committing one of the predicate offences, the Entity is punishable pursuant to Legislative Decree No. 231/2001 only when it meets additional specific requirements. The criteria for the imputation of liability to the Entity are divided into "objective" and "subjective" criteria.
The first objective condition is that the offence was committed by a person connected to the Entity by a formal relationship.

In this regard, a distinction is made between:

- parties in a "Top Management position", i.e. individuals holding positions of representation, assistance and management of the Entity, including, but not limited to the legal representative, the Director, the Manager of an independent organizational unit, as well as people who manage, even if only de facto, the Entity. These are people who have the power to make decisions in the name of and on behalf of the Entity. The category also includes all people delegated by the Directors to perform management or direction activities of the Entity or its separate branches;
- "Subordinates", i.e. all persons who are subject to the direction and supervision of Top Management. This category includes Employees and Collaborators and those persons who, although not members of staff, perform duties under the direction and control of Top Management. External parties include, in addition to Collaborators, promoters and Consultants who are appointed by the Entity to carry out activities in its name, as well as representatives who are not employees of the Entity, who act in the name of, on behalf of or in the interest of the Entity.

The second objective condition for the Entity to be liable is that the offence must be committed in the interest or benefit of the Entity.

[14] See Criminal Court of Cassation, Joint Divisions, 24.4.2014 No. 38343, so-called "ThyssenKrupp judgement".

"Interest" exists when the perpetrator of the offence acted with the intent to benefit the Entity, regardless of whether that goal was actually achieved.

"Benefit" exists when the Entity obtained – or could obtain – a positive result from the offence, whether financial or of another nature.[15]

The liability of the Entity exists not only when it has obtained an immediate financial benefit from committing of the offence, but also in the case that, even in the absence of such an outcome, the event was motivated in the interest of the Entity.

As regards the subjective criteria attributing the offence to the Entity, these relate to the preventive instruments it has used to prevent the perpetration of one of the offences envisaged by the Decree within the context of its business activities.

The Decree provides for the exclusion from liability only if the Entity demonstrates that:

- the governing body has adopted and effectively implemented, prior to the commission of the act, Organization and Management Models that are suitable for preventing the kind of offence that occurred;
- the task of overseeing the functioning and observance of the Models and their updating has been entrusted to a Supervisory Body of the Entity with independent powers of initiative and control;
- there was no omission or insufficient supervision by the aforementioned body.

The above conditions must occur jointly for liability of the Entity to be excluded.

Despite the fact that the Model provides grounds for exemption from liability, whether the predicate offence was committed by a person in a Top Management position or by a person in a Subordinate position, the mechanism envisaged by the Decree with regard to the burden of proof is much more severe for the Entity when the offence was committed by a person in a Top Management position. In the latter case, in fact, it is the Entity that must provide proof that the individual committed the crime fraudulently circumventing the Model. The Decree therefore requires stricter proof of non-involvement in relation to the conduct of the Top Management.

In the event of crimes committed by a person in a Subordinate position, the Entity may be held liable only if it is established that the offence was made possible through a breach of obligations of management or supervision.

In this case, the Entity is at fault: the Company indirectly allowed the offence to be committed, by failing to supervise the activities and actions of those at risk of committing a predicate offence.

However, this liability is excluded if, prior to the commission of the offence, the Entity implemented an Organization, Management and Control Model capable of preventing offences similar to the type that occurred.

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[15] According to the Court of Cassation, the concepts of interest and benefit should not be understood as a single concept, but should be considered separately, as the distinction is clear between what could be understood as a potential gain foreseen as a consequence of the illegal act, and a benefit clearly achieved as a result of the offence (Criminal Cass., 20 December 2005, No. 3615). A similar opinion was also pronounced by the Court of Milan, according to which it is sufficient for the sole purpose of the criminal conduct to be the pursuit of a given benefit, irrespective of whether this has actually be obtained (Court of Milan, ruling of 20 December 2004).

It should be noted that the Entity participates in the criminal proceedings with its legal representative, unless the latter is charged with the offence on which the administrative offence depends; when the legal representative does not appear, the constituted Entity is represented by its defence counsel (article 39, paragraphs 1 and 4 of Legislative Decree No. 231/2001).
As also affirmed by the Court of Cassation (judgment No. 32110/2023, taking up previous case law No. 33041/2015), "*on the subject of the criminal liability of entities, the Legal Representative who is, as in this case, under investigation or accused of the predicate offence cannot, due to the condition of incompatibility in which he finds himself, appoint the entity's defence counsel due to the general and absolute prohibition of representation laid down by art. 39 of Legislative Decree No. 231 of 8 June 2001, with the consequence that the entity's Organizational Model – OMM – must include precautionary rules for possible situations of conflict of interest of the Legal Representative under investigation for the predicate offence, which are able to provide the entity with defence counsel, appointed by a specifically delegated person, to protect its interests*".
Therefore, in a conflict of interest situation, a special attorney with specific powers will take responsibility for this.

1.4 Effectiveness and adequacy of the Model

The Model functions as grounds for exemption from liability if it is:

- effective, or reasonably capable of preventing the offence or offences committed;
- effectively implemented, or its contents are applied in the corporate procedures and in the internal control system.

As regards the effectiveness of the Model, the Decree requires that its contents include, as a minimum:

- identification of the activities of the Entity, within in which offences may be committed;
- specific protocols for planning the development and implementation of the Entity's decisions, in relation to the crimes to be prevented;
- identification of the management methods of financial resources in order to prevent the commission of crimes;
- the introduction of a Disciplinary System designed to punish any failure to comply with the measures specified in the Model;
- obligations to provide information to the Supervisory Body;
- suitable measures, taking into account the nature and the size of the organization, as well as the type of activity carried out, are provided to ensure that business is conducted in compliance with the law and to enable discovery and prompt elimination of risk situations.

Under the Decree, the Model must be periodically reviewed and updated, both in the event of a significant violation of its provisions, and in the event of significant changes in the organization or activities of the Entity, as well as if reference regulations change, and in particular if new predicate offences are introduced.

1.5 Offences committed abroad

As per art. 4 of the Decree, the Entity may be held liable in Italy for offences committed abroad.

Legislative Decree No. 231/2001, however, subordinates this possibility, together with the objective and subjective conditions already addressed, to the following conditions:

- the general conditions of admissibility laid down in articles 7, 8, 9 and 10 of the Italian Criminal Code exist to allow prosecution in Italy for an offence committed abroad;
- the Entity's head office is located in Italy;
- the State where the offence was committed is not taking action to prosecute the Entity.

Law No. 146 of 2006, which ratified the United Nations Convention and Protocols against Transnational Organized Crime, adopted by the General Assembly on 15 November 2000 and 31 May 2001, provided in article 10 for the liability of entities for certain transnational offences, such as criminal association, including mafia-type criminal association, association for the purpose of drug trafficking and migrant trafficking.

For a criminal offence to qualify as a "transnational crime", it is necessary for the conditions specified by the legislator to be met. In particular, they include:

1. an organized criminal group must be involved in the commission of the offence;
2. the offence must be punishable by a sanction of a maximum term of at least 4 years of imprisonment;
3. it is necessary for the unlawful conduct to be, alternatively:
    - committed in more than one State;
    - committed in one State but having substantial effects in another State;
    - committed in only one State, although a substantial part of its preparation or planning or management and control must take place in another State;
    - committed in one State, but an organized criminal group is involved in it which carries out criminal activities in more than one State.

1.6 Penalties applicable to the Entity

The penalty system provided for by Legislative Decree No. 231/2001 (articles 9 et seq.) includes four types of penalties, which the Entity may be subjected to, if convicted, under the terms of the Decree:

- fine: this penalty is applied if the court deems the Entity liable. It is calculated using a quota-based system, the number and amount of which is determined by the court.
  The number of quotas, applied between a minimum and a maximum that varies depending on the case, the seriousness of the offence, the degree of liability of the Entity, the measures taken to eliminate or mitigate the consequences of the offence or to prevent other unlawful acts from being committed. The amount of the individual quota ranges between a minimum of €258.00 and a maximum of €1,549.00, depending on the economic and patrimonial conditions of the organisation;
- disqualification: this penalty is applied, in addition to financial penalties (fines) only in the event of offences for which disqualification is expressly provided, where at least one of the following conditions is met:
  - the Entity obtains significant profit from the offence and the offence is committed by Top Management or otherwise by a Subordinate when commission of the offence is caused or

facilitated by severe organizational shortcomings;
- in the event of repeated unlawful acts.

The disqualification penalties provided for by the Decree are:

- ban from conducting business activities;
- suspension or cancellation of authorizations, licenses or concessions serving to commit the unlawful act;
- prohibition on entering into contracts with the Public Administration, unless done so to obtain public services;
- exclusion from benefits, loans, contributions or subsidies and possible cancellation of those already granted;
- prohibition on publicizing goods or services.

Only exceptionally applicable with permanent effect, disqualification applies to the specific activity conducted by the Entity to which the offence relates for a period of time ranging from 3 months to 2 years, except for the circumstances provided for by article 25, paragraph 5 of Law No. 3/2019 (so-called "Bribe Destroyer"), which establishes that, if an entity is convicted of an offence arising from these crimes against the Public Administration (pursuant to articles 317, 319-bis, 319-ter, paragraphs I and II, 319-quater, 321, 322, paragraphs II and IV of the Italian Criminal Code), the disqualification may not be less than 4 years nor more than 7 years if the crime was committed by a member of Top Management, and it may not be less than 2 years nor more than 4 years if it was committed by a person under the direction/supervision of a member of Top Management (except in the specific extenuating circumstances pursuant to article 25, paragraph 5).

This can also be applied as a precautionary measure, before the verdict, before a sentence has been reached, at the request of the Public Prosecutor, if there is serious evidence of the Entity's liability and there are substantial and specific elements that suggest that there is a real risk of offences of the same type as the one in the proceedings may be committed again;

- confiscation: following conviction, an order is always made for confiscation of the price or profit from the offence, or of goods or other valuables of equivalent value.

  The profit of the crime has been defined by the Joint Divisions of the Court of Cassation as the economic advantage of direct and immediate causal origin from the offence, "*net of any actual benefit obtained by the damaged party within the bilateral relationship with the Entity*".[16]

  The Supreme Court also specified that this definition should exclude any type of business parameter. Thus, profit cannot be identified as the net profit made by the Entity (except in the case provided for by law, of receivership of the Entity);
- publication of the sentence: may be ordered when disqualification is applied to the Entity.

This measure consists of the publication of the sentence once, as an excerpt or in whole, at the expense of the Entity, in one or more newspapers indicated by the court in the sentence and is also displayed in the Municipality where the Entity has its head office.

Administrative penalties are time-barred five years after the date on which the offence is committed.

The definitive sentence against the Entity is entered in the national register of administrative sanctions for

[16] Criminal Court of Cassation, Joint Divisions, 27 March 2008, No. 26654.

offences.

1.6.1 Disqualification measures applicable SGRs

Legislative Decree No. 197 of 2004, implementing Directive 2001/24/EC on the reorganisation and winding up of credit institutions operating within the Community, establishes that the disqualification contemplated under article 9, paragraph 2, letters a) and b) of the Decree (temporary ban from conducting business and the suspension or cancellation of authorizations, licenses or concessions), against a bank or a stock brokerage firm or an SGR or a SICAV, are enforced not by the Public Prosecutor, but rather by the Bank of Italy or CONSOB (art. 8, paragraph 3 of Legislative Decree No. 197 of 2004).
The above provision, in relation to the aforementioned entities, also excludes the application of the disqualification measures during the interlocutory stage, and also the provision that allows for receivership as a precautionary measure or as a final sanction (article 8, paragraph 4 of Legislative Decree No. 197 of 2004). This is an exception, provided for collective entities with a strong public presence, characterized by a specific regulation of the sector and by being subject to several Supervisory and Control Authorities (CONSOB and the Bank of Italy).

1.7 Events modifying an Entity

The Decree governs the rules on liability of the Entity in the case of modifying events, or in the case of transformation, merger, demerger and assignment of a business.
Should the Entity be transformed, it remains liable for offences committed prior to the date on which the transformation took effect. The new Entity will therefore be the recipient of the sanctions applicable to the original Entity, for acts committed before the transformation.
In case of a merger, the merged Entity, even if by incorporation, is liable for offences for which the Entities that have participated in the operation were liable. If the merger occurs before final judgment finding liability is given, the court must take into account the economic conditions of the original Entity and not those of the merged Entity. As concerns cross-border mergers – and demergers –, a new offence was introduced by art. 54 of Legislative Decree No. 19 of 2 March 2023, i.e. the "Offence of false or omitted declarations for the issue of the preliminary certificate"; this offence is a predicate offence for the liability of the Entity, as set forth in the new letter s-ter) of art. 25-ter of Legislative Decree No. 231/2001 (see Special Part B).
As regards demergers, the Entity which was spun off remains liable for offences committed prior to the date on which the demerger became effective. The Entities benefiting from the demerger are obliged, jointly and severally, to pay fines due by the Entity which is demerged up to the value of the shareholders' equity transferred to each individual Entity, unless the Entity has also transferred part of the business branch within which the offence was committed. Disqualification measures apply to the Entity (or Entities) which have retained or have received the business branch within which the offence was committed.
If the demerger took place before final judgement of a finding of liability is given, the court must take into account the economic conditions of the original Entity and not those of the one resulting from the merger.

In the event of sale or transfer of the company under which the crime was committed, subject to benefit of prior examination of the Transferor, the Transferee is jointly liable with the Transferor to pay the fine within the limits of the value of the transferred company and the extent of the financial penalties which are found from the mandatory accounting records, or of which the Transferee was aware.

1.8 The Confindustria Guidelines

Art. 6, paragraph 3 of Legislative Decree No. 231/2001 establishes that "*the Organization and Management Models may be adopted, by guaranteeing that the requirements set out in paragraph 2 are met, on the basis of codes of conduct drawn up by the associations representing the Entities, notified to the Ministry of Justice which, in concert with the competent Ministries, may, within thirty days, draw up observations on the suitability of Models designed to prevent offences*".

The Company, in developing and managing the Organizational Model for the prevention of the risk of offences being committed followed, first and foremost, the Confindustria Guidelines (hereinafter the "Guidelines"), in the versions from time to time published.

The Model has been updated in accordance with the June 2021 edition of the Guidelines.

The Guidelines explain the steps that the Company should take to implement an Organization, Management and Control Model that comply with the requirements of the Decree. These steps include:

- mapping at-risk areas in the Company: after identifying the types of offences affecting the Company, identification of the activities within which those offences could be committed, also taking into consideration the possible ways that unlawful acts could be carried out within the specific business activities;
- preparing specific protocols designed to assist in making and implementing Company decisions concerning crimes to prevent.

The components of a preventive control system that must be implemented to ensure the effectiveness of the Model are:

- a Code of Ethics, which defines the ethical principles to apply in relation to conduct that could constitute the offences set out in the Decree;
- an organizational framework, which defines the hierarchy of positions in the Company and the responsibilities for carrying out activities;
- an authorization framework, which attributes internal authorization powers and signing powers for external purposes in line with the organizational framework adopted;
- operating procedures that regulate the main activities of the Company such as, in particular, the management of financial resources;
- a management control system able to promptly identify critical situations;
- a staff communication and training system to ensure the effective implementation of the Model;
- the identification of a Supervisory Body, vested with powers to act on its own initiative and conduct monitoring, with the task of overseeing the operation and compliance with the Model and updating the Model any time significant infringements occur or when changes are made to the organization or business activities;
- specific reporting obligations towards the Supervisory Body on the main Company-related issues and in

particular on those activities considered to be at risk;

- specific reporting obligations of the Supervisory Body towards Top Management and the regulatory bodies;
- a suitable Disciplinary System to punish non-compliance with the measures set out in the Model.

According to the Guidelines, the above components must be integrated into a system that meets a series of monitoring principles, including:

- each operation, transaction, action must be verifiable, documented, coherent and consistent: each operation must be supported by adequate documentation which can be used at any time to verify the characteristics and reasons of the operation, and identify the person who authorized, performed, recorded and checked the operation;
- no one can be allowed to manage a whole process independently: the system must ensure that the principle of separation of duties is applied, so that authorization to perform an operation is given by a person other than the person executing, records or controls the operation;
- documentation of the controls is required: the control system must provide for documenting, also through preparing reports, carrying out checks.

The Company has prepared the Model taking into account not only the provisions set out in Legislative Decree No. 231/2001, but also the principles laid down in the Guidelines. In consideration of the fact that each Model should be prepared bearing in mind the particularities and unique features of the Company, there may be some specific parts of the Model that deviate from the Guidelines, which are of a general character, due to the need to ensure the effective implementation of the provisions laid down in the Decree.

1.9 Additional regulatory references useful for implementing the Model

Given the nature and activities carried out by the Company, the Model was implemented also taking into consideration the following regulatory references:

- Legislative Decree No. 58 of 24 February 1998, "Consolidated Law on Finance", as subsequently amended, most recently by Legislative Decree No. 129 of 2017;
- Regulation on collective asset management, as subsequently amended, most recently by Bank of Italy Provision of 23 December 2016;
- Regulation on the organization and procedures of intermediaries who provide investment services or collective investment management services of 29 October 2007, as subsequently amended by joint deeds of the Bank of Italy/CONSOB of 19 January 2015;
- Directive 2011/61/EU of the European Parliament and of the Council of 8 June 2011 on Alternative Investment Fund Managers (AIFMD). The transposition of the AIFMD, initiated with the amendments to the Consolidated Law on Finance (TUF) by Legislative Decree No. 44 of 2014, was completed with measures by the Ministry of Economy and Finance, the Bank of Italy and CONSOB;
- Commission Delegated Regulation (EU) No. 231/2013 of 19 December 2012 supplementing Directive 2011/61/EU of the European Parliament and of the Council with regard to exemptions,

general operating conditions, depositaries, leverage, transparency and supervision;

- Decree No. 30 of 5 March 2015 of the Minister of Economy and Finance, "implementing article 39 of Legislative Decree No. 58 of 24 February 1998 (TUF) concerning the identification of the general criteria with which Italian collective investment undertakings shall comply";
- Assogestioni Guidelines;
- Legislative Decree No. 24 of 10 March 2023 on Whistleblowing (Implementation of Directive (EU) 2019/1937 of the European Parliament and of the Council of 23 October 2019 on the protection of persons who report breaches of Union law and laying down provisions regarding the protection of persons who report breaches of national laws).

Section II – The Organization, Management and Control Model of Kryalos SGR S.P.A. – General Part

2.1 The Company and its corporate purpose

On 2 April 2015, Kryalos Investments S.r.l. notified the Bank of Italy of its intention to acquire the entire share capital of Henderson Global Investors SGR S.p.A., a company established on 16 December 2005.
The Bank of Italy sent notice to Kryalos Investments S.r.l. and to Henderson SGR S.p.A. on 3 July 2015 (Prot. No. 0730348/15), issuing the authorization to acquire the entire share capital of Henderson SGR S.p.A. On 31 July 2015, the purchase of all of Henderson SGR's share capital was completed and, on the same date, it was renamed Kryalos Società di gestione del risparmio per Azioni or, in brief, Kryalos SGR S.p.A.
The duration of the Company shall be until 31 December 2050, unless terminated earlier or extended by resolution of the Special Meeting of Shareholders.

Pursuant to art. 3 of the Articles of Association, the corporate purpose of the SGR is "[…] *providing asset management services through the creation, promotion and management of mutual Funds, for investments in both immovable property and in financial instruments, receivables and other movable assets, the administration of dealings with participants, as well as the management of the assets of own or third-party mutual Funds. The Company may also perform any operation strictly necessary for the furtherance of the corporate purpose, as well as, in accordance with applicable regulations in force at the time, issued by the Supervisory and Control Authorities, perform related and instrumental activities, provide consultancy services, also for real estate, place directly or at other premises, and offer abroad units of own or third-party collective investment undertakings, as well as acquire holdings in banks, asset management companies (SGRs), 'harmonized' management companies, investment firms, intermediaries pursuant to Title V of Legislative Decree No. 385 of 1 September 1993, IMEL, other companies that carry out financial activities, insurance companies or entities, whose sole corporate purpose is to perform activities related to and instrumental to its business, with registered office in Italy or abroad".*

The Company is authorised to provide Asset Management Services laid down in article 33 of Legislative Decree No. 58/1998, and, in accordance with current implementing regulations, its purpose is to provide asset management services through the creation, promotion and management of Undertakings for Collective Investment of Savings ("UCIS"), including investment companies with fixed capital "(Sicaf") and mutual investment funds ("Funds"), having as their purpose the investment both in immovable property and in financial instruments, receivables or other movable assets, the administration of dealings with participants, as well as the management of the assets of own or third-party mutual funds (hereinafter, only "Funds" and/or "Sicaf").

Furthermore, the Company may carry out any operation strictly necessary for the furtherance of the corporate purpose, and consistent with current regulations laid down by the Supervisory and Control Authorities.

2.1.1 The Company's Governance Model

The corporate governance of the SGR is the responsibility of the following Corporate Bodies, in accordance with the obligations established by laws and regulations on services and the Articles of Association:

- Shareholders' Meeting;
- Board of Directors;
- Chair of the Board of Directors;
- CEO.

Other social or corporate bodies are:

- Board of Statutory Auditors;
- Committees established by the Board of Directors.

The Board of Directors is responsible for strategic supervision of the SGR.

Committees are collegial bodies set up within the Board of Directors (responsible for providing advice, performing investigations or making proposals) or within specific work processes (responsible for giving instructions). The functioning of the Board Committees is governed by their own regulations.

The SGR set up:

- three Board Committees – the Appointments Committee, the Risk Committee and the Remuneration Committee – governed by the "*Regulation of the Corporate Bodies*"; and
- an instructional committee – the Asset Allocation Committee – governed by Procedure "*PR 03 – Investments*";
- a committee – the ESG Committee – with technical, advisory, investigative, propositional and support functions with regard to the ESG Manager, governed by Policy "*PO 11 – ESG Policy*".

The Organizational Chart includes the following functions in particular:

- Operating Functions:
  - Fund Management & Advisory Department
  - Transaction Management Department (which also includes the ESG Manager)
  - Development Management Department
  - Real Estate Advisory Department
  - Corporate & Legal Affairs Department
  - Human Resources & Organization Department
  - Finance & Administration Department
  - IT & Innovation Function
  - Internal Valuation Department
  - Outsourced SGR Accounting Service
  - Outsourced Fund Accounting Service
  - Retail Advisor
- Support Functions

    - Corporate Communication Office
    - Office Management
- Control Functions
    - Risk Management Function
    - Anti-Money Laundering and Compliance Function
    - Internal Audit Service

The Company's Corporate Governance system is covered extensively in the "Report on the organizational structure". This Report is prepared by the Company on an annual basis in compliance with the provisions laid down in Bank of Italy Provision dated 19 January 2015, as amended. It is also summarized in the Organizational Function Chart, which, together with other corporate documents, in particular the corporate procedures, contributes to the composition of Kryalos's "internal regulations", where the tasks and areas of responsibility of the Functions and organizational units of the Company are defined.

During 2025 and the first months of 2026, the Company took part in a corporate reorganization involving REDO SGR S.p.A. Società Benefit.

Following the authorization granted by the Bank of Italy on 12 December 2025, on 20 January 2026 Near S.p.A. Società Benefit was incorporated as a holding company, to which 100% of the share capital of REDO SGR S.p.A. was contributed, the latter being simultaneously renamed Near SGR S.p.A. Società Benefit. On 29 January 2026, Near Res S.r.l. was also incorporated, a company operating in the real estate services sector.

Upon completion of the transaction, Kryalos SGR S.p.A. holds a 10% stake in the share capital of Near SGR S.p.A. Società Benefit.

In accordance with the shareholders' agreements, the Company appointed two representatives to the holding company (one representative from the SGR and one from the S.r.l.).

2.1.2 The system for delegating power and authority

Kryalos's system of powers is based on the fundamental criteria of formal identification and clarity, communication and separation of roles, allocation of responsibility, identification of the hierarchical structure and operational activities.

The existing organizational tools (e.g. organizational charts, organizational communications, procedures) are based on the following general principles:

- awareness within the organizational structure;
- a clear description of reporting lines.

The framework of the system for delegating power and authority is based on the following rules:

- duties and responsibilities must be clearly and appropriately allocated;
- checks on the exercise of delegated powers must be performed on a regular basis;
- the grid and limits of any "flow down" type delegations must be properly documented;

- the officer must have spending powers in line with their assigned functions.

Furthermore, delegations:

- are consistent with the position held by the delegated party, avoiding potential misalignments between the position held at the Company and the delegated powers;
- specifically, and unequivocally define the powers of the delegated party and the party to whom the delegated party reports hierarchically;
- assign management powers consistent with the corporate objectives.

In accordance with the Articles of Association, the Board of Directors is vested with all powers of ordinary and extraordinary management of the Company, with the exception of those reserved by law to the Shareholders' Meeting.

Representation, including procedural representation (including the power to initiate legal actions and applications, including in revision and cassation, and to appoint lawyers and attorneys at law for that purpose), shall be vested in: (i) the Chair of the Board of Directors; (ii) the Chief Executive Officers, if appointed, within the scope, limits and for the exercise of the powers attributed to them; (iii) the General Managers, if appointed, within the scope, limits and for the exercise of the powers attributed to them; (iv) all persons outside the Administrative Body, designated by the latter within the scope, limits and for the exercise of the powers attributed to them.
The Board of Directors is the body responsible for granting and approving the delegation of powers and signing authority, assigned in accordance with the established organizational and management responsibilities, with detailed information on the expenditure approval thresholds.
Upon the latest update of the Model, it is noted that the Board: i) endowed the CEO with specific powers for the ordinary and extraordinary management of the SGR, ii) gave exclusively to a Director all powers and responsibilities of the "employer" under article 2 of Legislative Decree No. 81/2008, of the "principal" within the meaning of Title IV of Legislative Decree No. 81/08, as well as the "legal representative" within the meaning of Legislative Decree No. 156/2006 and further environmental legislation. It should be noted that – as indicated in the Special Part of the Model concerning safety at work and environmental offences – this Director has delegated, pursuant to article 16 of Legislative Decree No. 81/2008, part of its powers with regard to the management of the Funds/SICAF's real estate to external professionals (i.e. Property Manager).

To enable the performance of ordinary business activities, the Board of Directors has also defined the scope of decision-making and spending powers granted to the Heads of the various Organizational Structures, in line with the organizational and management responsibilities granted to them, within pre-set limits.
Delegations and powers of attorney are communicated formally to the individual recipients with a clear indication of the subject of the delegation/proxy and the limits within which the delegated party is authorised to exercise the power conferred.

The degree of autonomy, the power of representation and the expenditure limits granted to individuals who have been delegated powers and authorities within the Company are always identified and established in a manner that is consistent with the hierarchical level of the recipient of the power or authority and are within the limits strictly necessary to perform the delegated tasks and duties.

The powers granted are periodically updated based on organizational changes in the Company's structure.

The structure of internal delegations is subject to verification as part of the control activities carried out by the Internal Audit Function. [cf. RSO: E.3. Internal Audit Function 1. Positioning of the Internal Audit Function and its tasks]

2.2 Adoption of an Organization, Management and Control Model by Kryalos

The Board of Directors of the Company, aware of the need to ensure fairness and transparency in the conduct of its business and corporate affairs, to protect Kryalos's position and corporate image, approved a project for analysing the organization, management and control tools, in order to determine whether the guiding principles of corporate conduct are in line with the objectives of the Decree and, if need be, to adapt its conduct to the aforementioned objectives.

This initiative was undertaken based on the firm belief that the adoption of a Model in line with the requirements of the Decree may not only be a valid awareness-enhancement tool for all those working for and on behalf of the Company, but also a means to prevent the risk of the offences laid down in Legislative Decree No. 231/2001 from being committed.

In this context, by adopting the Model, the Company, aware that some of its activities are exposed to the risk of some offences that may subject the Company to administrative liability, intends on taking all necessary measures to prevent them.

Among the various objectives of the Model, one is to instil in the Corporate Bodies, employees, collaborators,

suppliers and consultants, along with any other party working in the name or on behalf of Kryalos:

- respect for the ethical principles, roles, operating methods, procedures and, generally speaking, this Model;
- awareness of the social value of the Model in order to prevent the risk of commission of offences;
- awareness that violating the prescriptions contained in the Model will result in the application of specific penalties.

The purpose of the Model is therefore to set up a structured and organic system of prevention, deterrence and control, aimed at reducing the risk of offences being committed through the identification of sensitive activities and their consequent regulation.

The Organizational Model is an "act of issuance by the governing body", pursuant to art. 6, paragraph 1, letter a) of Decree No. 231, and, therefore, the competence to adopt and update the Model itself is the prerogative of the SGR's Board of Directors.

2.2.1 The operating procedures followed for the development of the Model

In accordance with the provisions of the Decree, Kryalos sought to define a Model in line with the

indications provided by trade associations. The first step was to identify the actual situations where, due to their nature, predicate offences could be committed and then to analyse and monitor these areas.
The various phases of the work performed to identify the at-risk areas and the consequent identification of the current system of measures and controls at the Company to prevent unlawful acts are described below.
The first phase was to analyse the existing organization and control structure, in order to assess its adequacy with respect to the provisions of Legislative Decree No. 231/2001.

This phase involved collecting and analysing documentation to identify the people within the organization to contact and involve in the subsequent phases of the project.

Upon completion of the above operations, the scope of the subjective conditions of the Decree was defined.

During the second phase, concerning the mapping of offence risks, the risk profile of the Company was defined, in terms of "at-risk" areas in the Company and the possible ways in which offences could be committed, in reference to the offences covered in the Decree.
This phase involved the following activities:

- defining the "sensitive" corporate areas;
- defining, for each "sensitive" corporate area, the associated types of offences, based on interviews with the contact persons in each business area as well as an analysis of Company documentation;
- organizing and summarizing the information collected into a standard outline used for the subsequent planning of the steps to be taken.

Once the second phase was completed, the information needed to assess the Company's risk profile was collected and shared. In particular, a list was prepared providing an overview of the "sensitive" corporate areas where the offences covered in the Decree could be committed, along with information, for each area, on the Company Functions involved and the associated types of offences.

The third phase, concerning an Assessment of the Control System for monitoring at-risk areas, involved evaluating the capacity of the existing Control System to offer protection against the risks identified in the second phase, to meet the requirements laid down in the regulatory framework, in order to prioritize the actions to be taken should any gaps be identified.
In the above phase, the Company provided for:

- evaluating, for each at-risk activity, the alignment of the existing organization and control structure with the requirements laid down in the relevant regulations, in terms of:
    - the existence, effectiveness and efficiency of the system of controls;
    - the adequacy of the existing system for the delegation of powers and authority;
    - the existence and adequacy of the Disciplinary System;
- highlighting residual risks;
- sharing the situations found with the persons responsible for managing the identified activities;
- expressing a (qualitative) opinion on the priorities for the subsequent design of the control system to

monitor at-risk activities.

Moreover, along with the drafting of the Model, the Code of Ethics (an integral part of the Model) was prepared, which contains a set of rules regarding ethics and conduct that all Corporate Bodies, the CEO, employees, collaborators, suppliers, and consultants must abide by.
In view of the fact that under article 6, paragraph 2, letter c) of Legislative Decree No. 231/2001, the Company must *"introduce a Disciplinary System to punish noncompliance with the measures set out in the Model*", a Disciplinary System (attached to the Model) was introduced to punish those who violate the rules and provisions introduced with the regulation in question.

2.2.2 The Protocols and Procedures adopted by Kryalos

The identification of at-risk areas made it possible to identify the control mechanisms in place at the Company,

as well as the specific activities for which it was necessary to identify specific Decision, Management and Control Protocols that can provide valid support in preventing the perpetration of offences.

In developing the Decision-making Protocols, measures were taken to ensure:

- the separation of duties through the correct distribution of the activities, the responsibilities, and the definition of adequate authorization levels;
- the existence of rules of conduct designed to ensure that Company business is conducted in compliance with the laws and regulations and the integrity of the Company's assets;
- the development of procedures regarding sensitive activities in order to define the methods and timing for carrying them out, traceability of the documents, operations and transactions, objective decision-making processes;
- the existence and documentation of control and oversight activities.

The protocols were developed with the objective to establish rules of conduct and operating procedures to be complied with by the Company, with reference to the performance of at-risk activities.
The Protocols were established in relation to each of the main at-risk areas identified.
Furthermore, appropriate Procedures have been adopted to clarify and explain the scope of application of the general principles as well as to facilitate monitoring of compliance thereto.
The Company will bring its conduct into line with the contents of the aforementioned Protocols and Procedures and, when deemed appropriate, will issue specific internal regulations, service orders, implementing the individual provisions in detail.
The Protocols and Procedures are an integral part of the Model.

2.2.3 Updating of the Model

The Model must always be promptly amended or supplemented by a resolution of the Board of Directors, also if proposed by the Supervisory Body, upon the occurrence of particular circumstances such as, by way of example and not limited to:

-
- significant changes in the regulatory framework, in the Company's organizational structure or in its activities;

- violations or circumvention of provisions contained in the Model, that have proved the ineffectiveness of the Model to prevent offences;
- in view of the development of case law and the indications of trade associations;
- in order to take into account the outcome of supervisory activities by the Supervisory Body.

For these purposes, as further clarified in the procedure "Information flows to the Supervisory Body", the SB is informed by the respective corporate structures about any changes in the organizational framework, procedures, and the organizational and managerial methods of the Company.

The Supervisory Board may propose to the Board of Directors any amendments or additions to the Model that it deems appropriate as a result of the performance of its duties.
When amendments of a purely formal nature are necessary, such as clarifications or explanations of text, the CEO may autonomously make them after consulting the Supervisory Body.

Any occurrences requiring a change or update to the Model must be reported in writing by the corporate structures and the SB to the Board of Directors, to enable them to make decisions within their sphere of competence.

2.2.4 Recipients of the Model

The rules contained in this Model apply to all those who perform, also on a de facto basis, management, administration, direction and control activities for the Company or on its behalf, to employees, as well as consultants, collaborators and, in general, all third-parties acting on behalf of Kryalos within activities found to be at-risk of offences being committed.
The parties to whom the Model is addressed, so-called "Recipients", are therefore required to strictly comply with all provisions, also in fulfilment of the duties of loyalty, fairness, and diligence arising from legal relationships.

2.2.5 Disciplinary System

The effective implementation of the Model requires that an adequate penalty system is in place; this system plays a central role in the framework of Legislative Decree No. 231/2001.
An essential condition for the Company to exercise disciplinary authority is the ability to punish any violation by workers (including employees, senior officers or mere collaborators), irrespective of whether or not said behaviour represents an offence giving rise to criminal proceedings.
A fundamental requirement of the disciplinary measures is that the punishment is commensurate with the violation committed, which must be assessed on the basis of two criteria:

- the seriousness of the violation;
- the type of relationship in place with the person responsible for the unlawful act (employee, subcontractor, executive), taking into account the specific legal and contractual regulations in place.

Therefore, the Company adopts a Disciplinary System designed to punish those who violate the rules and provisions contained in this Model.
Pursuant to art. 21, paragraph 2 of Legislative Decree No. 24 of 10 March 2023 on whistleblowing,

whistleblowers who, as a result of a report that turned out to be unfounded, have been convicted, even in the first instance, of the offences of defamation or slander (or in any case, for the same offences committed with notification to the Judicial or Accounting Authorities), or in the event of ascertainment of liability in civil proceedings in the case of wilful misconduct or gross negligence, shall be subject to the sanctions set forth in the Attachment "Disciplinary System".

The disciplinary sanctions set out in the Attachment "Disciplinary System" also apply to those who:

- violate the protection measures adopted for whistleblowing reports (as set out in paragraph 2.4. below.), including, by way of example, breach of the obligation of confidentiality and the commission of any retaliation – to be understood as conduct, act or omission, even if only attempted or threatened, carried out on account of the whistleblowing (of the notification to the Judicial or Accounting Authorities or of public disclosure) – which causes or may cause, directly or indirectly, unfair harm to the whistleblower (or to the person making the notification or the public disclosure) and/or to the other persons specifically identified by the rule;
- do not carry out verification and analysis of the reports received;
- engage in actions or conduct to obstruct or attempt to obstruct reporting.

In addition, on its own initiative, ANAC may impose on the author of the violation the sanctions provided for in article 21 of Legislative Decree No. 24/2023.

2.3 The Supervisory Body

For the purpose of exemption from administrative liability, article 6, paragraph 1 of the Decree requires that an internal body (i.e. "Supervisory Body") be set up within the Company, vested with powers to act on its own initiative and conduct monitoring, to guarantee the updating of the Model.

In particular, the Supervisory Body must fulfil the following requirements:

- autonomy and independence: essential requirements for the proper structuring of the SB, implying that the Body is not directly involved in the management activities subject to its supervision, thereby avoiding any influence due to the performance of business operational tasks;
- professionalism: the SB must possess suitable technical-professional skills to perform the specific functions granted to it;
- honour: the members of the SB must not fall into the cases of ineligibility, disqualification, or suspension indicated in the subsequent paragraph 2.3.2.;
- continuity of action: the Supervisory Body must ensure the continuity of activities aimed at:
    - monitoring, with the necessary investigatory powers, that the Model is complied with on an ongoing basis;
    - handling the implementation of the Model and ensuring constant updating;
    - serving as a constant point of reference for all employees of the Company.

2.3.1 Composition, appointment, term of office, revocation, and temporary impediment

In compliance with art. 6, paragraph 1, letter b) of Legislative Decree No. 231/2001, Kryalos deemed it appropriate to entrust the duty to a collegial body made up of three members.

The members of the SB must possess and maintain, during their term of office, the specific professional skills, competence, experience required by law, and must not find themselves in a position that could lead to conflicts of interest or joint interest with respect to the functions to carry out.

The members of the Supervisory Body must promptly report to the Board of Directors and the Supervisory Body itself any arising circumstances that impede maintaining the eligibility requirements for the role of a member of the Body itself.

The Board of Directors is solely responsible for appointing the Supervisory Body, thus ensuring:

- the autonomy and independence required of the Supervisory Board;
- a direct connection with Top Management, the Board of Statutory Auditors and with the Board of Directors.

The Board of Directors appoints and dismisses:

- the members of the Supervisory Body;
- the Chair of the Supervisory Body.

The Supervisory Body, in conducting its supervisory and control activities, relies on the competence and professional skills of the organizational unit responsible for the Risk Management Function, which is a member of the Body.

For specific tasks, the Supervisory Body may also collaborate with other Kryalos organizational units, such as:

- the organizational unit responsible for the Internal Audit, Anti-Money Laundering and Compliance Functions;
- the organizational unit responsible for Human Resources (e.g. for staff training, disciplinary proceedings);
- the organizational unit responsible for the Administration and Finance Function (e.g. for controlling cash flows).

To this end, specific tools have been arranged to ensure adequate reporting to and from the Supervisory Body.

The Supervisory Body has an internal Regulation, designed to ensure the correct performance of the activities within its competence.

The Company's Board of Directors establishes, for its term of office, the annual remuneration of the Supervisory Body.

The Supervisory Body remains in office for three years and may be re-elected. Upon the expiry of the three-year period, to ensure the effective and continuous implementation of the Model, as well as the continuity of action, the members of the Supervisory Body remain in office until the Board of Directors, through a specific Board resolution, has appointed the Supervisory Body in its new composition or has confirmed the previous one.

The appointments of the Supervisory Body may be revoked at any time for just cause and/or on justified grounds by the Board of Directors of the Company. Individual members of the SB may be removed or replaced before their term of office is up only for just cause or on justified grounds. Examples include:

- voluntary resignation by the member of the Body, which may be exercised at any time and must be communicated to the Board of Directors in writing;
- incapacity due to natural causes;

- a member no longer meeting the integrity requirements set out below in paragraph 2.3.2;
- failure to attend, without good reason, two or more meetings, even if not consecutive, over a period of twelve months;
- failure of the SB to inform the Administrative Body about the dismissal of one of its members;
- serious and established grounds of incompatibility that would frustrate their independence and autonomy;
- in the case of an internal member, the assignment of operational functions and responsibilities within the corporate organisation that are incompatible with the requirements of "autonomy and independence" of the Supervisory Body. In any case, any measure of an organisational nature affecting them (e.g. termination of employment, transfer to another post, dismissal, disciplinary measures, appointment of a new manager) must be brought to the attention of the Board of Directors.

In the event of revocation or withdrawal, the Board of Directors will promptly replace the removed Body or member, in compliance with the aforementioned rules on appointment and composition.

Should the revocation or withdrawal pertain to the Chair, their responsibilities are assumed by the member with the greatest seniority in age.

Subject to the determinations of the Board of Directors regarding the replacement of the resigning member, the SB composed of the other two members is deemed to be validly constituted.

Should any causes arise temporarily preventing a member of the Supervisory Body from performing their duties or from doing so with the required autonomy and independence of judgment, they must declare the existence of legitimate impediment and, if this results from a potential conflict of interest, the cause from which this stems, refraining from attending the Body's meetings or the specific resolution related to the conflict until the impediment either ceases or is resolved.

As an example, a temporary impediment is constituted by illness or injury that lasts for more than three months and prevents participation in the meetings of the Supervisory Body.

In the event of temporary impediment, the Board of Directors assesses the opportunity to temporarily supplement the Supervisory Body by appointing one or more members, whose term will last for the duration of the impediment.

If the Board of Directors does not deem it necessary to temporarily augment the Supervisory Body, the SB will continue to function in its reduced composition. In such situations, for the decisions of the SB, the favourable opinion of the Chair of the Body is required.

The Board of Directors retains the authority to dismiss the member or members for whom the said impediments have arisen, should the impediment persist for a period deemed significant by the Board itself.

2.3.2 Causes of ineligibility, removal and suspension

The members of the Supervisory Body must fulfil the integrity requirements laid down in article 13 of Legislative Decree No. 58 of 1998.

In particular, those who are in the conditions envisaged by article 2382 of the Italian Civil Code cannot be appointed as a member of the SB, nor can those who have been convicted and sentenced with a final judgement, even if issued under art. 444 et. seq. of the Italian Code of Criminal Procedure, and even in the case of a suspended sentence, for one of the following offences:

1) any of the crimes provided for under Royal Decree No. 267 of 1942 (governing bankruptcy, arrangement with creditors and receivership), when punished with imprisonment for a period of not less than one year;
2) any of the offences under the rules on banking, finance, securities and insurance, and the rules governing markets, securities and payment instruments, when punished with imprisonment for a period of not less than one year;
3) any crime against the Public Administration, against public confidence, public assets or public economy, for tax avoidance, when punished by imprisonment of not less than one year;
4) any offence committed with criminal intent, when punished by imprisonment for a period of not less than two years;
5) any of the offences covered by Title XI of Book V of the Italian Civil Code as reformulated in Legislative Decree No. 61 of 2002 (i.e. regulation on corporate offences);
6) any conviction involving disqualification, even if temporary, from holding any public office, or temporary disqualification from holding directorships in legal entities and companies;
7) one or more of the offences specifically covered in the Decree, even if the actual penalty imposed is less serious than those mentioned in the points above.

Furthermore, the following persons cannot be appointed as members of the Supervisory Body:

1. persons having held positions as members of the Supervisory Body at companies for which
2. the penalties provided under article 9 of the Decree have been applied;
3. persons whom one of the measures set out in Legislative Decree No. 159 of 2011 has been applied as a final sentence ("Code of anti-mafia legislation and protection measures, as well as the new provisions on anti-mafia documentation, pursuant to articles 1 and 2 of Law No. 136 of 13 August 2010, i.e. the Anti-Mafia Code);
4. persons who have received accessory administrative sanctions provided for in article 187-quater of Legislative Decree No. 58/1998 (crimes committed in listed companies).

The individual member of the Supervisory Body will be removed from office if they no longer meet one of the above requirements, or in cases where, after appointment, they find themselves:

- in one of the situations covered under article 2399 of the Italian Civil Code;
- convicted by a final judgement (including those laid down in art. 444 of the Italian Code of Criminal Procedure) for one of the offences listed in numbers 1, 2, 3, 4, 5, 6 and 7 of the conditions of ineligibility indicated above;
- in the situation where, after appointment, they are found to have served as member of the Supervisory Body of a company against which the penalties laid down in article 9 of the Decree relating to unlawful administrative acts committed while in office, have been applied.

The following circumstances constitute grounds for suspension of a member of the Supervisory Body:

- non-final conviction of one of the offences listed in points 1 to 7 of the conditions of ineligibility specified above;

- the application, on request of the parties, of one of the penalties listed in points 1 to 7 of the aforementioned conditions of ineligibility;
- a precautionary measure has been applied;
- the provisional application of one of the precautionary measures provided for in the so-called Anti-Mafia Code.

In the event of suspension, the Board of Directors of the Company is promptly convened to assess the reasons for suspension and then decide whether to reinstate the member of the Supervisory Body or to remove the member from office.
In the latter case, the BoD will appoint a new member of the Supervisory Body.

2.3.3 Functions and powers

The institutional functions of the Supervisory Body are expressly defined by the legislator in article 6, paragraph 1, letter b) of the Decree and may be expressed as follows:

- to oversee the operation and observance of the Model;
- to take care of updating the Model.

Nevertheless, it is essential to point out that, concerning the Model update, the Supervisory Body highlights the necessity by specifying the interventions to be undertaken to the Board of Directors, which, as per article 6, paragraph 1, letter a) of the Decree, is ultimately directly responsible for the adoption and effective implementation of the Model.
To ensure the full effectiveness of its work, the Supervisory Body must have free access to all relevant Company documents for verification of the correct functioning of the Model.
Moreover, the Supervisory Body is allocated an annual budget, established by resolution of the Board of the Directors. This allows the Body to carry out its duties in full autonomy, without limitations resulting from a lack of adequate financial resources.
The Supervisory Body is assigned the following tasks and powers:

- to oversee the operation and observance of the Model;
- to verify whether the Model is actually suitable to prevent the commission of the offences referred to in Legislative Decree No. 231/2001;
- to analyse whether the requirements of soundness and functionality of the Model are maintained over time;
- to develop and promote, jointly with the organizational units concerned, the regular updating of the Model and the related system for monitoring its implementation, suggesting, as necessary, any corrections and adjustments needed to the Administrative Body;
- to ensure the appropriate information flows under their responsibility to and from the Board of Directors and the Board of Statutory Auditors;
- to request and obtain information and documentation of any type to and from each level and sector of the Company;
- to carry out checks and inspections, even unannounced, in order to establish any violations of the Model;

- to develop a monitoring program, in line with the principles contained in the Model, within the various sectors of activity;
- to ensure the implementation of the monitoring program also by scheduling activities;
- to ensure that reports are prepared on the results of the operations carried out;
- to promote the constant updating of the system for identifying, mapping, and classifying at-risk areas for supervisory purposes;
- to provide clarifications concerning the meaning and application of the provisions contained in the Model;
- to prepare an effective internal communication system to allow the transmission and collection of information relevant for the purpose of Legislative Decree No. 231/2001, ensuring, where applicable, protection and confidentiality for the reporting party;
- to provide the information they become aware of in the course of carrying out their duties to the person responsible for disciplinary action if they believe that there are grounds for initiating any disciplinary proceedings.

In carrying out these tasks, the Supervisory Body is assisted by the organizational unit responsible for the Risk Management Function, but may also be assisted by other organizational units at Kryalos for specific tasks.

The other aspects on the functioning of the Supervisory Body are covered in its specific Regulation.

2.3.4 Reporting

Under art. 6, paragraph 2, letter d) of the Decree, the Model must provide for reporting obligations to and from the SB, in order to allow the aforementioned Body to effectively fulfil its obligation to monitor compliance and for the correct implementation of the Model.

The obligation to ensure an adequate information flow is therefore bi-directional; initiating with the SB providing information to the Board of Directors, which then informs the Corporate Bodies of the monitoring activities carried out and any critical issues found. At the same time, this obligation applies to Functions responsible for managing sensitive processes. These Functions must keep the SB constantly informed on the state of implementation of the Model, the Procedures and any critical issues identified, along with sending the information detailed in the procedure that regulates the information flows to the SB.

All information, notifications, and reports required by the Model are retained by the Supervisory Body in a specific archive.

2.3.4.1 Reporting by the Heads of the Functions to the Supervisory Body

As previously stated, Decree 231 outlines, among the requirements the Model must meet, the establishment of specific informational obligations towards the Supervisory Body by the Company's business Functions, intended to enable the Body itself to carry out its oversight and verification activities.

In general terms, the Supervisory Body must be promptly informed about every circumstance relevant for the best effectiveness of the Model and in relation to any useful data to facilitate the conduct of checks on the correct implementation of the Model.

For this reason, the Company has adopted a specific "Information flows to the Supervisory Body" procedure to govern the information that all SGR personnel must send to the Supervisory Body, to which one can refer for details of the information.
In order to improve the flow of information to the Supervisory Body, a specific communication channel in the form of a dedicated email account has been set up – odv@kryalossgr.com – where any reports may be sent and which only members of the Supervisory Body may access.
In order to create a comprehensive system for the ongoing management of information flows to the SB, the Head of the Risk Management Function is responsible for obtaining information from the Heads of the Functions, as identified in the "Diagram of the Heads of the Functions responsible for at-risk areas" attached to the Model, and then for sending the material obtained to the SB on a quarterly basis.

As promptly indicated in the procedure that governs the information flows to the Supervisory Body, to which reference is made for details, the Heads of the Functions must transmit to the Supervisory Body, with the necessary promptness, the information indicated below as an example:

- orders and/or information from judicial police or from any other Authority, indicating that investigations are underway, even against unknown persons, relating to the offences indicated in Legislative Decree No. 231/2001, which may involve the Company and the Recipients of the Model, directly or indirectly;
- ongoing active and passive disputes when the counterparty is an Entity or a Public or Equal Entity and, at their conclusion, their outcomes;
- requests for legal assistance from personnel in the case of legal proceedings initiated against them in relation to any offence committed in the performance of their work;
- changes to the composition of the Company's Bodies, as well as the granting of proxies and powers of attorney;
- changes to the corporate organizational structure;
- the disciplinary proceedings in progress, any sanctions applied, or the decisions to file away such proceedings with the corresponding motivations;
- reports prepared by the Heads of organizational units and Company Functions in the ambit of their control activities, which indicate facts, acts, events or omissions with critical profiles relating to compliance with the terms of Legislative Decree No. 231/2001;
- changes made to the corporate body of procedures;
- any omissions or negligence in the bookkeeping or in the retention of the underlying accounting records.

Concerning the procedures for submitting reports to the SB regarding breaches of the Organizational Model and significant unlawful conduct pursuant to Legislative Decree No. 231/2001, please refer to paragraph 2.4 below.

2.3.4.2 Reporting by the Supervisory Body to the Board of Directors

The SB reports to the Board of Directors and the Board of Statutory Auditors on the implementation of the Model and the emergence of any critical issues. To this end, an annual reporting line was established.

The focus of the reporting is the activities conducted by the SB and any criticalities that have emerged both in terms of internal behaviours or events within the Company, and in terms of the Model's effectiveness, along with any corrective actions considered suitable for enhancing the Model's effectiveness.

The obligations for reporting to the Board of Directors may be:

- continuous, in any circumstance in which the SB deems it necessary and/or appropriate in fulfilling the obligations under the Decree, providing any information relevant and/or useful for the proper performance of its duties and reporting any violation of the Model which is regarded as having sufficient grounds and they have learned about indirectly or discovered on its own;
- periodic, through a written report, prepared on an annual basis, which must indicate:
    - all activities carried out during the period, with particular reference to controls;
    - any critical issues coming to light in relation to conduct or events within the Company, and in terms of the Model's effectiveness;
    - the necessary and/or appropriate corrective measures and improvements to the Model and their state of progress;
    - the assessment of conduct not in line with the Model or the Code of Ethics and any disciplinary actions proposed;
    - the identification of organizational and procedural shortcomings that could expose the Company to the risk of the offences laid down in the Decree being committed;
    - the poor or lack of collaboration by the Heads of Functions in performing their duties;
    - a statement of expenses incurred;
    - any changes in regulatory requirements resulting in the need to update the Model;
    - any information deemed useful for the purpose of making urgent decisions;
    - the activities scheduled but not performed due to justified reasons of time and/or lack of resources.

The SB also has specific obligations for reporting to shareholders in all cases considered necessary such as, for example, in cases where violations made by the Board of Directors are discovered.

Meetings with the Corporate Bodies to which the SB reports must be recorded in minutes; a copy of the minutes is retained by the Supervisory Body.

2.4 The whistleblowing system

On 15 March 2023, Legislative Decree No. 24 of 10 March 2023, implementing EU Directive 2019/1937 on the protection of persons who report breaches of Union law, was published in the Official Gazette. This Decree further amended art. 6 of Legislative Decree No. 231/2001, providing in paragraph 2-bis that the Organization, Management and Control Models provide for: internal reporting channels for whistleblowing reports, the prohibition of retaliation, and a Disciplinary System, adopted pursuant to paragraph 2, letter e), in accordance with the provisions of Legislative Decree No. 24/2023.

In order to ensure the effectiveness of the internal reporting management system, in accordance with the provisions of Legislative Decree No. 24/2023, the Company has adopted a whistleblowing system, consisting of an IT platform (kryalossgr.integritytline.com), which *is* the internal channel for receiving whistleblowing reports provided for in Legislative Decree No. 24/2023, which also cover violations of the Model and relevant unlawful conduct under the Legislative Decree No. 231/2001.

In particular, the whistleblowing system is used to guarantee the anonymity of whistleblowers and the confidentiality of reports of violations of laws, regulations, policies, standards or Company procedures, as detailed below, making it easier for whistleblowers to report misconduct so that the Company may benefit from such reports and promptly intercept wrongdoing to remedy and correct it. To this end, Kryalos provides an email address as well as a dedicated portal (kryalossgr.integrityline.com) to receive reports of acts or omissions by anyone in the Company, in relationships with the same or on its behalf, that constitute or could constitute a violation of or an inducement to violate laws and regulations, the rules established in the Model, the principles endorsed in the Code of Ethics, the internal control principles or Company policies, standards and procedures.

This is without prejudice to any legal obligations, particularly the obligation of reporting offences to the Judicial or Supervisory Authorities or obligations related to personal data and privacy.

The internal whistleblowing system is set out in detail in the "Whistleblowing Procedure" (PR 33), an integral part of the Model, and can be found on the Company intranet and the Company website.

Please refer to the aforementioned document for details relevant to:

- the internal reporting system and how it is sent;
- those who may send reports;
- the subject of the reports;
- the Reporting Manager (WSO), which coincides with the SB,
- how reports are managed;
- the protections afforded to whistleblowers, those reported in bad faith and other persons referred to in the provision;
- penalties for those who violate the provisions of the procedure.

With regard to the protections afforded, while referring to the Whistleblowing Procedure, it should be noted that the Company – in addition to guaranteeing the confidentiality of the data acquired – prohibits any form, direct or indirect, of retaliation, discrimination, or penalisation (by way of example, application of sanctions, demotion, dismissal, transfer or submission to any other organizational measure having negative effects on working conditions) for reasons connected with the report made by the whistleblower in good faith, and undertakes to ensure the protection of the whistleblowers and of the other persons/entities protected by the whistleblowing legislation against such acts.

Any acts taken that are recognised as retaliatory are considered null and void.

Employees who believe they have suffered discrimination may notify ANAC or file a complaint with the National Labour Inspectorate, for measures within its competence.

Illegal use of the Disciplinary System may lead to measures being taken against the abuser.

Under the whistleblowing legislation, the protection of the whistleblower described above is not guaranteed in the case of reports made in bad faith that turn out to be unfounded.

With regard to the Disciplinary System, please also refer to paragraph 2.2.5. and the Attachment

"Disciplinary System".

2.5 *Dissemination of the Model*

In order to ensure the effective implementation of the Model adopted, Kryalos is committed to ensuring adequate dissemination of its contents and the principles contained therein, inside and outside of the organization.
The goal of the Company, in other words, is to extend awareness of the Model not only to its employees, but also to persons who are involved in the corporate organization on an occasional and/or temporary basis, who act, in this context, on behalf of and under the supervision of the Company's Bodies.

Although these communication activities have different characteristics, depending on the Recipient, information relating to the contents and principles of the Model must, in any event, be complete, timely, accurate, accessible and continuous. The purpose of this is to ensure that the various Recipients are well informed and have full knowledge of the Company rules and regulations they are required to comply with.
Kryalos is therefore committed to taking all the necessary steps to raise awareness and disseminate, without delay, the Model and its Attachments.

2.5.1 *Initial communication to the Recipients*

All employees and other parties who have working relationships with the Company governed by contractual agreements shall be informed on the contents and principles of the Model.
Employees may access and consult the Model, as well as its Attachments, directly via the Company's intranet. Notice is also given to new hires on the adoption of the Model, which is made available to them on the Company's intranet.
For members of the Corporate Bodies, instead, a copy of the full version of the document illustrating the Model is made available. The members are required to sign a statement declaring that they are familiar with the contents of the Model.
Suitable communication tools will be adopted to inform Recipients of any changes made to the Model.

2.5.2 *Training*

For the effective implementation of the Model, the general objective of the Company is to ensure that all Recipients are familiar with and follow the rules of conduct contained therein.
Recipients are required to gain an understanding of the objectives of fairness and transparency that the Company intends to pursue with the Model, and the manner in which it intends on pursuing them.
An objective of particular significance is represented by the need to guarantee effective knowledge of the provisions laid down in the Model by persons involved in activities at risk. This applies to both the current resources of the Company, as well as future resources.
The Company informs its employees that they are required, on the one hand, to be familiar with the principles and contents laid down in the Model and, on the other hand, to contribute, in relation to their position and responsibilities within the Company, to the practical implementation of the Model, also by reporting any shortcomings.

The Supervisory Body, in consultation and close coordination with the Board of Directors, will be responsible for promoting training sessions on administrative liability for offences under Legislative Decree No. 231/2001, proposing the content and methods of delivery for the courses.
Participation in these training programs shall be mandatory, documented through signing an attendance sheet, as well as communicated to the Supervisory Body by sending it a list of the names of those attending.

2.5.3 Information for consultants, suppliers and external collaborators and the signing of the "Safeguard" Clause

Consultants, suppliers and collaborators of the Company are informed, at the start of the employment relationship, of the content of the Model and its Attachments, and agree to perform their services in compliance with the Code of Ethics, the Model provisions and, more in general, the principles established in the Decree, through the signing of a so-called Safeguard Clause. Under the provisions of article 5, letter e) of Legislative Decree No. 24/2023 on whistleblowing, internal notification is given to the Recipients and external notification is provided via publication on the Company's website, of the internal and external whistleblowing reporting channels.