

CAREL

Procedure for the Management of Inside Information and Maintenance of the Insider Register



Contents

PRELIMINARY PROVISIONS	7
1 . Scope of application	7
2 . Addressees' obligations and prohibitions	8
COMPETENCIES AND RESPONSIBILITIES 10	
3 . The Company's Board of Directors	10
4 . The Executive Directors of the Company	10
5 . The Investor Relator	10
6 . Recipients	10
DATA MANAGEMENT	11
7 . Assessing the relevance of the information and identifying the subjects involved	11
8 . Access to the information by outside persons	13
DISCLOSURE TO THE PUBLIC	14
9 . Public disclosure of Inside Information	14
10 . Inside Information relating to protracted processes	
11 . Delay in disclosure	15
THE INSIDER REGISTER.....	18
12 . General Rules	18
13 . Natural or legal persons entered into the Insider Register	18
14 . Obligations of Informed Persons	20
IMPLEMENTING PROVISIONS AND ENTRY INTO FORCE....	21
15 . Penalties	21
16 . Amendments and additions	21
17 . Notifications	21
18 . Information Flows to the Supervisory Body	22
19 . Entry into force	22
20 . Annex	22
Annex A - Policy on adding a subject to the Register of persons with access to Inside Information;	23
Legislative Decree dated 24 February 1998 No 58	26
Chapter II : Criminal sanctions	26
Chapter III: Administrative sanctions	27
ANNEX B 32	
ANNEX C 32	



BOD Employees	The Company's Board of Directors the employees of the Company or its subsidiaries whose work and/or functions give them access on a regular or occasional basis to Inside Information on the Parent Company and/or its Subsidiaries.
Recipients	<p>the recipients of this Procedure are:</p> <ul style="list-style-type: none"> • members of the administrative, management and control bodies of the Company and its Subsidiaries; • top executives who, while not being members of the aforesaid bodies, have regular access to Inside Information directly or indirectly concerning said entities, and have the power to take management decisions that may affect the future evolution and prospects thereof; and • Employees of the Company and its Subsidiaries: all other persons who, in the exercise of an occupation, profession or function, have access to Inside Information.
Inside Information	<p>constitutes Inside Information pursuant to this Procedure and is subject to the regulations envisaged herein:</p> <ol style="list-style-type: none"> a. information which has a precise nature, namely that: <ol style="list-style-type: none"> i regards a set of circumstances that exist or may reasonably be expected to come into existence or an event that occurred or could reasonably be expected to occur ii. is specific enough to enable conclusions to be drawn about the possible effect of the set of circumstances or event referred to in point i) on the prices of Financial Instruments or the corresponding Financial Instruments deriving therefrom; b. has not been made public c. directly concerns the Company or the Subsidiaries or Financial Instruments of the Company d. if made public, could materially affect the prices of Company's Financial Instruments or any Derivative Financial Instruments connected thereto, i.e. which a reasonable investor would presumably use as one of the factors on which to base their investment decisions. <p>Purely by way of example, Inside Information that could affect the issuer is defined as follows, in accordance with the Consob document "Guidelines No 1/2017 - Management of Inside Information": information regarding ownership structure, management composition, management incentive plans, independent auditor activities, capital transactions, issue of Financial Instruments, characteristics of the Financial Instruments issued, acquisitions, mergers, demergers, etc., restructuring and reorganization, transactions in financial instruments, insolvency proceedings, legal disputes, revocation of bank credit facilities, writedowns/write-backs of assets or Financial Instruments held, patents, licenses, rights, etc.,</p>



insolvency of key debtors, destruction or damage of uninsured assets, purchase or sale of assets, operating performance, changes in expected accounting results ('profit warnings' and 'earning surprises'), receipt or cancellation of significant orders, entry into new (or exit from) markets, changes to investment plans, dividend distribution policies.

In this respect, in the case of a protracted process which is intended to achieve, or that determines, a particular circumstance or a particular event, such future circumstance or future event, as well as the intermediate stages of this process, which are associated with the achievement or the determination of the circumstances or future event, may be considered as information of a precise nature. An intermediate stage in a protracted process is regarded as Inside Information if, in itself, it meets the above criteria.

Relevant Information	The information that the issuer deems significant, as it relates to data, events, projects or circumstances that, continuously, repetitively, periodically, occasionally or unexpectedly, directly affect the issuer itself and which may at some point, even very soon, become inside information.
Regional CEO	It means each of (i) Regional CEO North Asia Pacific; (ii) Regional CEO South Asia Pacific; (iii) Regional CEO Americas; and (iv) Regional CEO EEMEA
Insider Register	i.e. the Register of persons with access to Inside Information
Investor Relator	The person in charge of implementing the provisions of this Procedure
Subsidiaries	<p>a. companies in which another company has more than half of the voting rights that can be exercised at the ordinary shareholders' meeting</p> <p>b. companies in which another company has enough voting rights to exercise a dominant influence at the ordinary shareholders' meeting. Pursuant to art. 93 of the Consolidated Law on Finance (TUF), in addition to the companies indicated in subparagraphs 1 and 2 of the first paragraph of Article 2359 of the Civil Code, the following shall also be considered subsidiaries:</p> <p>c. Italian and foreign companies over which a person has the right, by virtue of a contract or a clause in the instrument of incorporation, to exercise a dominant influence, where the applicable law permits such contracts or clauses,</p> <p>d. Italian and foreign companies where a shareholder controls alone, on the basis of agreements with other shareholders, enough votes to exercise a dominant influence in the ordinary shareholders' meeting.</p> <p>For the purposes set out above, the rights held by subsidiaries or exercised through trustees or nominees shall</p>

be considered; those held on behalf of third parties shall not be considered.

Financial instruments

All of the Company's Financial Instruments admitted to trading on a regulated market, as defined in Article 4(1)(15) of Directive 2014/65/EU, including Company Shares.

PRELIMINARY PROVISIONS

1. Scope of Application

The aim of the Procedure for the Management of Inside Information and Maintenance of the Insider Register (the "Procedure") is to regulate the monitoring, in-house management and public disclosure of information on events occurring within the sphere of activity of Carel Industries S.p.A. (the "Company") in application of the current laws on the processing of Inside Information.

This Procedure aims to regulate:

- a. management and processing of inside information
- b. the operating procedures to be observed in order to disclose such information both inside and outside the Company
- c. the operating procedures to be observed in order to keep the Insider Register.

This Procedure has been drawn up taking into account the following regulatory references:

- a. Regulation (EU) No 596/2014 of the European Parliament and Council of 16 April 2014 ("Regulation 596/2014" or "MAR Regulation"), as subsequently amended and supplemented, as well as the relevant implementing acts and regulations, including:
 - (i) Commission Implementing Regulation (EU) No 2022/1210 of 13 July 2022 laying down implementing technical standards with regard to the format of insider lists and their updating ("Regulation 2022/1210")
 - (ii) Commission Regulation (EU) No 2016/1055 of 29 June 2016 laying down implementing technical standards with regard to the technical means for appropriate public disclosure of Inside Information and for delaying the public disclosure of Inside Information ("Regulation 2016/1055");
- b. Legislative Decree No 58 of 24 February 1998, as subsequently amended and supplemented ("TUF")
- c. Consob Regulation No 11971 of 14 May 1999, as subsequently amended and supplemented ("Issuers' Regulations")
- d. ESMA guidelines 2016/1478, as subsequently updated or replaced
- e. Questions and Answers on the Market Abuse Regulation published by ESMA and last updated on 25 November 2022
- f. Consob Communication No 0061330 of 1 July 2016 concerning the method for disclosing to Consob the information required by the MAR Regulation;
- g. provisions on the management of Inside Information contained in the Corporate Governance Code, Article 1, rec. 1 .F.

On 8 October 2024, the European Council approved the so-called "*Listing Act*



Package” (the “**Listing Act**”), a package of legislative measures that includes Regulation (EU) No 2024/2809 (the “**Regolamento Listing Act**”), which amends, inter alia, the MAR Regulation.

The Listing Act entered into force on 4 December 2024, with the exception of certain provisions for which a deferred entry into force is envisaged, pending specific delegated acts to be adopted by the European Commission, following technical advice from ESMA.

For the operational procedures for managing Inside Information, please refer to Consob document “Linee guida n. 1/2017 – Gestione delle Informazioni Privilegiate” (“Guidelines n. 1/2017 - Management of Inside Information”).

2. Addressees’ obligations and prohibitions

Addressees are required to maintain absolute confidentiality with regard to the Inside Information of which they are aware.

Inside information must be treated by adopting all the appropriate precautions to ensure that its circulation within the company takes place without affecting the confidentiality of the information, until such time as the information is disclosed to the market in accordance with the methods prescribed by the present Procedure and the applicable regulations.

The obligation of confidentiality derives, among other things:

- a. for Employees, from the obligation to respect the Company’s specific right to confidentiality regarding the activities carried out in performing one’s job and the fidelity obligation pursuant to Article 2105 of the Civil Code;
- b. for members of the administrative, management and control bodies, from the privacy duties envisaged by the law with regard to the Inside Information of which they may become aware as members of the Company’s administrative, management or control bodies. In particular, the members of the administrative and control bodies and all those who, for any other reason, intervene, participate or in any case assist in Board meetings and meetings of the Committees set up by the same (i.e. Control and Risk Committee, Remuneration Committee), must maintain absolute confidentiality on the documents and information acquired during the above-mentioned meetings and secrecy on Relevant and Inside Information until such information is made public by the Company according to the procedures established in this Procedure. The obligation to maintain confidentiality also covers all documentation relating to the items on the agenda at the aforementioned meetings which may be made available to participants in advance
- c. for professionals, from the duties of confidentiality required by law or in any case connected with the professional mandate or envisaged by specific agreements with the Company
- d. for associates, consultants or others operating on behalf of the Company, from the duty of confidentiality envisaged by contracts or specific agreements.

Without prejudice to the provisions of Articles 184 et seq. of the Consolidated Law on Finance and Articles 14 and 15 of Regulation 596/2014, the Addressees may not:

- a. purchase, sell or otherwise perform transactions on the Financial instruments (including cancelling or amending an order where the order was placed before the interested party received the Inside Information), on their own account or

- on behalf of third parties, directly or indirectly, using Inside Information
- b. recommend or solicit other individuals, on the basis of Inside Information, to carry out any of the operations listed in point a)
- c. communicate such Inside Information to other individuals, outside of the normal duties of their work, profession, role or office. Notification to third parties of such recommendations or solicitations as per point (b) above shall be deemed unlawful disclosure of Inside Information where the person making the recommendation or solicitation knows or should know that this is based on Inside Information

It is strictly forbidden for the Addressees to give interviews to the press or make statements in general that contain Inside Information not yet disclosed to the market in accordance with this Procedure.

The above prohibitions also apply to all Relevant Information which Addressees become aware of as a result of the above.

Article 9 of Regulation 596/2014 envisages some legitimate conduct that, where present, shall not constitute misuse of Inside Information.

Such legitimate behaviour includes, with specific reference to natural persons and for the most immediate interest to the Company, the hypothesis in which the mere fact that a person is in possession of Inside Information does not imply that the person has used such information and has thus misused Inside Information or an acquisition or disposal if that person conducts a transaction to acquire or dispose of Financial Instruments in the discharge of an obligation that has become due, in good faith and not to circumvent the prohibition against the misuse of Inside Information, and if:

- a. that obligation results from an order placed or from an agreement concluded before the person concerned possessed Inside Information; or
- b. that transaction is carried out to satisfy a legal or regulatory obligation that arose before the person concerned possessed Inside Information.

Furthermore, the mere fact that a person uses his/her own knowledge that he/she has decided to acquire or dispose of Financial Instruments in the acquisition or disposal of those Financial Instruments shall not of itself constitute use of Inside Information.

Finally, it shall not be deemed from the mere fact that a legal person is or has been in possession of Inside Information that person has used that information and has thus misused Inside Information on the basis of an acquisition or disposal, where that legal person:

- a. has established, implemented and maintained adequate and effective internal arrangements and procedures that effectively ensure that neither the natural person who made the decision on its behalf to acquire or dispose of financial instruments to which the information relates, nor another natural person who may have had an influence on that decision, was in possession of the Inside Information
- b. has not encouraged, made a recommendation to, solicited or otherwise influenced the natural person who, on behalf of the legal person, acquired or disposed of Financial Instruments to which the information relates.

The behaviour described above shall be considered legitimate unless the competent



authority ascertains that there has been an illegitimate reason behind the orders to trade, the transactions or the conduct itself.

COMPETENCIES AND RESPONSIBILITIES

3. The Company's Board of Directors

The Board of Directors shall appoint, revoke and replace the Investor Relator, defining his/her powers and competencies – in accordance with this Procedure – and may also appoint a substitute in the event that the Investor Relator is absent or incapacitated.

4. The Executive Directors of the Society

The Chairperson of the Board of Directors, the Deputy Chairperson and/or the Chief Executive Officer of the Company are responsible for the methods by which Inside Information is handled, as well as for the relationships between the Company and institutional investors and with the press, availing themselves for the purpose of the Company's own competent internal departments.

The Chair of the Board of Directors, the Deputy Chair and/or the Chief Executive Officer of the Company shall approve, separately, the press releases on Inside Information submitted to their attention by the Investor Relator.

5. The Investor Relator

With the assistance and support of the internal structures of the Company, the Investor Relator shall:

- a. ensure the proper fulfilment of the obligations envisaged for Inside Information in this Procedure and by applicable law;
- b. support the Chairperson of the Board of Directors, the Deputy Chairperson, the Chief Executive Officer of the Company and/or the Board of Directors of the Company, in the activities performed for the purposes of assessing whether the information referred to in the alert can actually be deemed Inside Information
- c. monitor the evolution of the Relevant Information as well as its circulation within the functions of the Company and/or Group, reporting to the Chairperson of the Board of Directors, the Deputy Chairperson and/or the Chief Executive Officer of the Company what might be construed as constituting Inside Information.

Using the Company's internal structures, the Investor Relator shall handle relations with the press and shall draw up press releases regarding Inside Information.

Where he/she is absent or incapacitated, the Chairperson of the Board of Directors, the Deputy Chairperson and/or the Chief Executive Officer of the Company, severally, may appoint a temporary substitute, promptly notifying the Board of Directors thereof.

6. The Addressees

The Addressees who believe that the Company has the obligation to disclose to the market any Inside Information of which they have become aware, relating to events occurring in the sphere of activity of the Company or its Subsidiaries, and which have not yet been disclosed to the public, shall notify the Investor Relator of such circumstances without delay.

The Inside Information of Subsidiaries may also be relevant for the purposes of the Company's obligation to publish Inside Information, therefore, the Regional CEO or the General Manager, depending on the geographical area of reference of the Subsidiary concerned, is required to promptly inform the *Investor Relator* of any information concerning the Subsidiaries pertaining to their geographical area of competence that may constitute Inside Information.

The Investor Relator shall inform the Chairperson of the Board of Directors, the Deputy Chairperson and/or the Chief Executive Officer of the Company without delay of any alert received.

DATA MANAGEMENT

7. Assessing the relevance of the information and identifying the subjects involved

Assessing the relevance of the information on the Company and its Subsidiaries shall be the responsibility of the following subjects:

- a. information emerging during meetings of collegiate bodies (the Board of Directors and the committees set up by the Board): the competence lies with the collegiate body, while the handling of communication within and/or outside the corporate structure of Relevant and Inside Information shall be the responsibility of the persons delegated to implement the resolutions taken by the collegiate body;
- b. information emerging during the General Meeting of Shareholders: the competence lies with the Chairperson of the General Meeting;
- c. data and accounts: the responsibility lies with the Financial Reporting Officer;
- d. other information: the competence lies with the Chairperson of the Board of Directors, the Deputy Chairperson and/or the Chief Executive Officer of the Company for all other information.

The Company shall identify the flows of Relevant Information and associate each flow of Relevant Information with the corporate bodies that have access to it in the period prior to public disclosure.

When an item of Relevant Information is identified as Inside Information, the Company shall record this using a technical instrument that will ensure accessibility, legibility and durability of such information:

- a. date and time when it became Inside Information
- b. date and time when the issuer took its decision
- c. identity of the persons who took the decision or participated in the decision-making process.

Without prejudice to the provisions of paragraph 11 below, if the information is assessed by the competent parties pursuant to the above as Inside Information, it



must be disclosed to the public without delay, in accordance with the Law¹ and as provided for in the following section of this Procedure.

Inside Information is communicated, directly or through a third party, to the media which are reasonably relied upon by the public to ensure its effective dissemination.

The Investor Relator sends the press release, in the text approved by the Chairperson of the Board of Directors, the Deputy Chairman and/or the Chief Executive Officer of the Company, to Consob and Borsa Italiana S.p.A. - using the eMarket SDIR² or other regulated information dissemination system provided for in the legislation.

With specific reference to accounting data and situations, Addressees shall promptly notify the Financial Reporting Officer and the Investor Relator of any Relevant or Inside Information regarding the Company and its Subsidiaries, indicating the subjects who are aware thereof, or whose work and/or professional activity, i.e. their functions, require them to be notified thereof.

The Financial Reporting Officer and the Investor Relator shall give immediate notice to the competent subjects to assess its relevance pursuant to the above. Where the information does not require immediate public disclosure, the competent subjects shall, where necessary, act with a view to ensuring the confidentiality of the information and identify, including on the basis of the indications received, the people inside or outside the Company whose work and/or functions on behalf of the Company give them access to the above information (including the applicants themselves, where not already registered with regard to such information).

On the basis of the indications received from the above competent persons, the Investor Relator will first consult the Financial Reporting Officer, and then add that person to the Insider Register and check that all of the measures needed to ensure the confidentiality of the information have been taken, and adopting any further measures that may be required. Furthermore, whenever any Relevant or Inside Information is disclosed to persons not previously identified pursuant to the preceding section, the Financial Reporting Officer and the Investor Relator shall ensure that such persons are immediately entered into the Register.

Should the Company decide not to delay disclosure of the Inside Information (see section 11), the Register will contain the names of the people who have had access to the Inside Information in the period from when it was classified as Inside Information until it was disclosed.

The internal transmission/notification of the Company's Inside Information takes place using a system that protects the Company from external intrusions and also from internal threats, constantly monitoring access to user data.

8. Access to the information by outside persons

Notification of Relevant or Inside Information to third parties with regard to the Company can only take place in the normal exercise of working or professional activity, or because of the functions they perform on behalf of the company and on

¹ The term Law shall refer to the Community or national provisions applicable from time to time to the Company and Group companies on the handling of Inside Information and market abuse, such as – by way of example – the relevant regulations contained in the MAR and TUF, the corresponding Community and national implementing provisions, as well as the ESMA or Consob guidelines.

² Regulated Information Disclosure System (SDIR)

condition that the addressees of the information are bound by a legal, regulatory, statutory or contractual confidentiality obligation. Therefore, whenever there is no certainty as to whether the confidentiality obligation derives from other sources, the person will be asked to undersign a specific confidentiality agreement as a condition for transmission of the information.

Where the Addressees have to notify outsiders of information that could be considered Relevant or Inside Information, they must immediately inform the Financial Reporting Officer and the Investor Relator, who will ask the competent subjects – in accordance with the above – to assess the relevance of the information. If they consider that the Information shows characteristics of Relevant or Inside Information and that nevertheless it is of a nature such that it could be disclosed to external parties, in that case they will authorize the Financial Reporting Officer and Investor Relator to allow the information to be disclosed to external parties, provided that all of the necessary caution is adopted to ensure compliance by the external parties with the confidentiality obligations. Otherwise, the competent subjects shall notify the Chairperson, the Deputy Chairperson and/or Chief Executive Officer so that complete disclosure of the information to the public is performed under applicable law.

Notwithstanding compliance with the foregoing, in the event of non-intentional disclosure of Relevant or Inside Information, during the normal duties of their work, profession, role or office, to a person not bound by an obligation of confidentiality or who has not previously undertaken a confidentiality undertaking, the Financial Reporting Officer and the Investor Relator must be immediately informed, and they in turn will notify the Chairperson, the Deputy Chairperson and/or the Chief Executive Officer, so that they can without delay disclose to the public, in the manner established by Law and by this Procedure.

Furthermore, any external parties granted access to Relevant or Inside Information must be entered in the Register.

DISCLOSURE TO THE PUBLIC

The Company, which is an issuer of Financial Instruments listed on Italian regulated markets, communicates with the market in compliance with the principles of fairness, clarity and equal access to information.

9. Public disclosure of Inside Information

Without prejudice to the provisions of paragraph 11 below, the Company shall disclose to the public, as soon as possible, the Inside Information concerning it, directly or indirectly, in a manner that allows rapid access and a complete, correct and timely assessment of such information by the public.

The Company shall ensure the confidentiality of the Inside Information until it is disclosed to the public, in accordance with the procedures established by Law and by this Procedure.

The timeliness of public disclosure of Inside Information concerning the Company and its Subsidiaries is the responsibility of the Chairperson of the Board of Directors, the Deputy Chairperson and/or the Chief Executive Officer of the Company, who will coordinate with each other for these purposes.

In support of the above individuals, the Financial Reporting Officer and the Investor



Relator will coordinate disclosure to the public.

For this purpose, the Financial Reporting Officer and the Investor Relator shall:

- a. assist the Chairperson, the Deputy Chairperson, the Chief Executive Officer, the Board of Directors, the other collegiate bodies and the heads of corporate organizational units for the proper fulfilment of the information obligations towards the market, Consob and Borsa Italiana S.p.A., also ensuring that material on the regulatory framework and general guidelines issued by the Supervisory Authorities responsible for overseeing the Market and by Borsa Italiana S.p.A are circulated in-house, and
- b. ensure that disclosure to the public of Relevant Information and Inside Information and the marketing of the business activities of the Company are not combined in such a way as to be misleading. In any case, the Company shall not link the disclosure of Inside Information to the public with the marketing of its business activities;

Inside Information must be disclosed to the public in accordance with the provisions of this Procedure and the legislation in force at the time³.

The press release is entered into the eMarket SDIR circuit or other system for disseminating regulated information provided for by the regulations, and is transmitted to Consob and to the press agencies linked to the system⁴. The press release is deemed to be public as soon as confirmation has been received, through the eMarket SDIR system or other system for the dissemination of regulated information envisaged by law, of the correct start of the period provided for by the laws in force at any given time. If, in exceptional cases, the eMarket SDIR system or other system for disclosing the regulated information envisaged by the regulations cannot be used or if there are anomalies in the functioning of the systems, the function responsible for this must immediately inform Borsa Italiana S.p.A. and comply with the disclosure obligations vis-à-vis the public using one of the alternative methods envisaged by the competent Authority. In any case, the Company shall ensure the completeness, integrity and confidentiality of the Inside Information, by remedying any failure or disruption in the disclosure of the Inside Information without delay. The press release is also sent to the authorized storage system used by the Company for the maintenance of regulated information.

All press releases issued shall be published on the Company website, in the "Investor Relations" section, before the opening of the business day following that of its dissemination, ensuring:

- a. non-discriminatory and free-of-charge access
- b. that the Inside Information is published in an easily identifiable section of the website
- c. the date and time of publication of the Inside Information which must be published in chronological order.

The press releases must be disseminated without delay and must remain available on the website for at least five years from the date of publication.

³ See Section IA.2.6 IRBI ("Price-sensitive release templates").

⁴ Pursuant to Article 2, paragraph 1, letter b) of IR 1055 "Issuers (...) shall disclose Inside Information through a technical means which enables them to: (...) (b) communicate inside information directly or through a third party, to the media which are reasonably relied upon by the public to ensure its effective dissemination. Disclosure takes place by means of an electronic medium that preserves the completeness, integrity and confidentiality of the information being transmitted and clearly indicates: i) the privileged nature of the information disclosed; ii) the identity of the issuer or emission allowance market participant: full company name; iii) the identity of the notifier: name, surname, position with the issuer or emission allowance market participant; iv) the subject of the Inside Information; v) the date and time of disclosure to the media."

When the Company is obliged to disclose the policy after the opening of the markets, it shall notify Consob and Borsa Italiana S.p.A., even verbally and well in advance, of the possibility that the issuer will publish Inside Information while the Financial Instruments are still being traded.

In the event of inadvertent disclosure of Relevant or Inside Information, at meetings, such information must be disclosed without delay to the markets, briefly suspending the meeting where necessary.

Subsequent to the dissemination of the press release pursuant to this article (through eMarket SDIR or other regulated information dissemination system provided for by the regulations) and, therefore, once the inside information has become public, relations with the media shall be managed by the head of Web and Media, who shall coordinate with the *Investor Relator* to ensure consistency and uniformity in corporate communication activities.

10. Informazioni Privilegiate relative a processi prolungati

Inside Information relating to protracted processes

As of 5 June 2026, as a result of the amendments made to the MAR Regulation, the obligation to disclose Inside Information to the public as soon as possible shall not apply to Inside Information relating to the intermediate stages of a protracted process referred to in Article 7(2) and (3) of the MAR Regulation, where such stages are associated with the achievement or the determination of particular circumstances or a particular event.

In a protracted process, only the final circumstances or event must be disclosed to the public, as soon as possible, after their occurrence.

The Commission is empowered to adopt a delegated act to establish and review a non-exhaustive list of final events or final circumstances in protracted processes and, for each of them, the time when the event or circumstance is deemed to have occurred and, consequently, when it must be disclosed to the public in accordance with this section 10⁵.

11. Delay in disclosure

The Company may, under its sole responsibility, delay the disclosure of Inside Information, if all the following conditions are fulfilled:

- a. there is a “legitimate interest” that would be affected by disclosure to the public; ESMA provides guidance to establish a non-exhaustive indicative list of such interests⁶;
- b. the Inside Information whose disclosure is to be delayed is not inconsistent with the latest information disclosed to the public or with any other type of disclosure

⁵ See Annex I to the Commission Delegated Regulation (EU) of April 8, 2026, which supplements Regulation 596/2014 (not yet in force at the date of this Procedure), containing a non-exhaustive list of final events or circumstances in protracted processes, as well as indications as to when such events or circumstances are deemed to have occurred for the purposes of the obligation to disclose to the public

⁶ See ESMA, Consultation Paper on MAR Guidelines on delay in the disclosure of inside information, 19 February 2026 (consultation concluded on 29 April 2026).



made by the Company in relation to the same matter to which the Inside Information relates ⁷; the Commission is empowered to adopt a delegated act to establish and review a non-exhaustive list of situations in which the Inside Information whose disclosure is to be delayed is inconsistent with the latest information disclosed to the public or with any other type of disclosure made by the issuer ⁸;

- c. the Company is able to ensure the confidentiality of the Inside Information in question.

Failure to publicly disclose Inside Information relating to the intermediate stages of a protracted process, pursuant to section 10 above, shall not constitute a delay within the meaning of this section and shall not be subject to the obligations set forth therein.

The responsibility of the decision to delay the disclosure of Inside Information, and therefore to waive the obligation of immediate disclosure, is incumbent on the Chairperson of the Board in agreement with the Deputy Chairperson and/or the Chief Executive Officer, or subjects delegated by them, unless the decision is taken by a collegiate body on matters within the scope of its authority or at the request of the aforementioned subjects.

The Company will therefore have to assess both the impact of the delay on the proper disclosure to the public and the degree of confidentiality that can be ensured for the Inside Information.

If the disclosure of Inside Information to the public has been delayed or if the Inside Information relating to the intermediate stages of a protracted process has not been disclosed, the Company shall in any case ensure the maintenance of confidentiality for the Inside Information and, where this confidentiality has ceased, shall restore the conditions of equal access to information.

In the event that the disclosure of Inside Information has been delayed, the Chairperson of the Board of Directors, in agreement with the Deputy Chairperson and the Chief Executive Officer, or persons delegated by them, shall immediately after public disclosure of that Inside Information, and unless otherwise envisaged by the laws in force at any given time, notify Consob in writing, following the procedure envisaged by Consob itself. The purpose of the notification is to provide the Authority with the information subject to the delay, the reasons for the delay, the date and time when it became Inside Information, an explanation of how the conditions indicated above were fulfilled and any other circumstance that the Company deems relevant, in order to allow Consob a complete assessment of the actions reported, as well as to promptly take appropriate supervisory measures with regard to the Financial Instruments.

When the Company decides to delay publication of any Inside Information, it shall register a document that will ensure accessibility, legibility and durability of the following information:

- a. date and time:

⁷ The so-called Listing Act Regulation replaces the reference to the absence of a misleading effect on the public with the requirement that “the Inside Information whose disclosure the issuer (...) intends to delay is not inconsistent with the latest information disclosed to the public or with any other type of disclosure by the issuer (...) in relation to the same matter to which the Inside Information relates”. This amendment shall apply from 5 June 2026.

⁸ See Annex II to Commission Delegated Regulation (EU) of April 8, 2026 supplementing Regulation (EU) No 596/2014 (not yet in force at the date of this Procedure).

- when the Inside Information first existed within the issuer Company; when the decision was taken to delay disclosure of the Inside Information;
- della probabile divulgazione dell'Informazione Privilegiata da parte della Società;
- b. the identity of the persons within the Company responsible for:
 - making the decision to delay disclosure and deciding on the start of the delay and its likely end;
 - ensuring the ongoing monitoring of the conditions for the delay;
 - making the decision to publicly disclose the Inside Information;
 - providing the requested information to Consob about the delay and the written explanation;
- c. evidence of the initial fulfilment of the conditions, and of any change to this fulfilment during the delay period, including:
 - the information barriers which have been put in place internally and with regard to third parties to prevent access to Inside Information by persons other than those who require it for the normal exercise of their employment, profession or duties;
 - the arrangements put in place to disclose the relevant Inside Information as soon as possible where the confidentiality is no longer ensure.

Inside Information for which disclosure is delayed must be bound by absolute confidentiality; disclosure of Inside Information cannot be delayed where the Company (and the Subsidiaries) are unable to ensure confidentiality, i.e.:

- a. access to said information by persons other than those who need the information for the execution of their duties within the Company must be prevented, by prior identification of the latter and entry into the Register, notifying such subjects of the delay in disclosure of the procedure and the need to ensure maximum confidentiality;
- b. it must be ensured that persons having access to said information recognise the relative obligations and are informed of the possible penalties in the event of misuse or unauthorised dissemination of the information, by sending the specific policy when enrolling in the Register.

At the request of Consob, expressed in accordance with current legislation, i.e. where the Company or the subjects aware of the Inside Information for which there was a delay in disclosure, are unable to ensure its confidentiality or if one of the conditions for the delay is no longer applicable, the Company shall immediately disclose it to the public in accordance with the procedures established by the Law and by this Procedure and disclose the identity of the person/body responsible for making the decision to delay disclosure, of the persons who monitor the continuation of the conditions allowing delay, of the persons responsible for publishing the information and of the persons responsible for notifying the delay to Consob (name, surname, position with the issuer).

During the delay period, the Chairperson of the Board of Directors, the Deputy Chairperson and/or the Chief Executive Officer of the Company shall, on a case-by-case basis and with the support of the Investor Relator, monitor the conditions for the delay and, in particular, the confidentiality of the Inside Information subject to delayed disclosure.

If the Company, or a person acting in its name or on its behalf, in the normal exercise of its employment, profession or duties, intentionally or unintentionally discloses the Inside Information to a third party who is not bound by confidentiality obligations, the



Company shall make a full and effective public disclosure of the information, simultaneously in the event of intentional and in a timely manner in the event of unintentional disclosure to the public.

In the event of a delay in disclosure to the public of Inside Information, where in compliance with current laws and regulations, the Company has in place an authorization to trade its own shares, one of the persons indicated above must arrange for trading to be suspended on said shares, until such time as the public disclosure has taken place of the Inside information for which disclosure had been delayed. Trading must also be suspended for Financial Instruments, other than treasury shares, to which such Inside Information refers.

THE INSIDER REGISTER

12. General Rules

The Company has set up a Register of persons who have access on a regular or occasional basis to Inside Information (the so-called Insider Register), kept in such a way as to ensure easy consultation and extraction of the data contained therein. The Company adopts all reasonable measures to ensure that all persons entered in the Insider Register acknowledge in writing, through the transmission of Annex A, the related legal and regulatory obligations and the sanctions applicable in the event of misuse of Inside Information and unlawful communication of Inside Information. If the Company instructs another person to draw up and update its Insider Register, the Company remains fully responsible for compliance with the applicable regulations.⁹

Using the Company's internal structures, the Investor Relator shall immediately enter the individuals who have access on a regular or occasional basis to Inside Information in the Insider Register and promptly inform such individuals in writing of:

- a. their entry in the Insider Register (by means of the transmission of Annex A - Information on the entry in the Register of individuals with access to Inside Information) and updates concerning them, including their removal from the Insider Register;
- b. the provisions of this Procedure.

The Insider Register shall be kept in an electronic format such as to ensure, at any time:

- a. that access to the Register is limited to the Investor Relator only and to persons clearly identified by the same, who need to access it due to the nature of their respective functions;
- b. la riservatezza e l'esattezza delle informazioni ivi riportate;
- c. la possibilità di accesso alle versioni precedenti.

⁹ The so-called Listing Act Regulation provides for the revision of the implementing technical standards relating to the simplified format of insider registers, with the possible extension of the relevant format to all insider lists. See ESMA, Final Report on the draft implementing technical standards on the extension of the use of the alleviated format of insider lists, 21 October 2025. The Commission is empowered to adopt the implementing technical standards.

13. Natural or legal persons entered into the Insider Register

The Insider Register is divided into separate sections, one for each piece of Inside Information (each, the "**Specific Section**"), prepared in accordance with the template set out in Annex B; whenever new Inside Information is identified, in the manner set out in this Procedure, a new Specific Section shall be added to the Insider Register.

Each Specific Section contains only the details of the persons with access to the Inside Information covered by the relevant Specific Section.

The Insider Register also includes an additional section containing the personal data of persons who, by virtue of their function or position, always have access to all Inside Information (the "**Permanent Section**"). This section is drawn up in accordance with the template set out in Annex C. If the Permanent Section is drawn up, the data of the persons registered in the Permanent Section should not be registered in the Specific Sections.

Under the conditions laid down by the laws in force at any given time, the Permanent Section may, by way of example, include:

- a. the Chairperson of the Board of Directors;
- b. the Deputy Chairperson, the Chief Executive Officer, as well as the other executive directors, where appointed;
- c. managers and employees reporting directly to the Chairperson of the Board of Directors; the Financial Reporting Officer.

The following information has to be included in the permanent section of the list:

- a. date and time of creation of the permanent insiders section;
- b. date and time when this section was last updated;
- c. date of transmission to the competent authority;
- d. full name of the subject having access to the Inside Information. Where applicable, birth surname(s) of the insider (if different from current surname);
- e. professional telephone number(s) (direct telephone line and mobile numbers);
- f. name and address of the company;
- g. function and reason for being an insider;
- h. date and time at which a person was included in the permanent insider section;
- i. date of birth, national identification number (tax code or, for foreign countries, similar reference, where available);
- j. private telephone numbers (home and personal cellphone);
- k. personal full home address (street name; street number; city; post/zip code; country).

The following information has to be included in the specific section of the list:

- a. description of the source of the specific inside information;
- b. date and time of creation of the section of the list, i.e. when this Inside Information was identified;
- c. date and time when this section was last updated;
- d. date of transmission to the competent authority;
- e. full name of the subject having access to the Inside Information. Where applicable, birth surname(s) of the insider (if different from current surname);
- f. professional telephone number(s) (direct telephone line and mobile numbers);
- g. name and address of the company;
- h. function and reason for being an insider;
- i. date and time at which a person obtained access to the Inside Information;
- j. date and time at which a person ceased to have access to Inside information;



- k. date of birth, national identification number (tax code or, for foreign countries, similar reference, where available);
- l. private telephone numbers (home and personal cellphone);
- m. personal full home address (street name; street number; city; post/zip code; country).

The Register must be updated without delay in compliance with the Procedure, adding the date of the update, in the following cases:

- a. change in the reasons for including a subject in the register;
- b. registration of new subjects;
- c. the loss of access to Relevant or Inside Information by registered subjects (whether in the "permanent section" or in the "single sections" of the Register).

The removal of individuals from the Register must be ordered if the reason for their inclusion in the Register ceases to exist, including if Inside Information becomes public knowledge or, in any case, loses its inside nature.

Information on individuals entered in the Register shall be kept for five years after the circumstances giving rise to their entry or update cease to exist.

On request, the Register shall be sent to the competent authority using the electronic instrument indicated on its website.

14. Obligations of Informed Persons

Individuals who have access to Inside Information on a regular or occasional basis are required to comply with the provisions of this Procedure and adopt appropriate measures to prevent access to Inside Information by anyone other than those who need it to perform assigned functions. In particular, people who have access on a regular or occasional basis to Inside Information shall obtain, handle and store Inside Information only if strictly necessary to perform the tasks assigned to them and for the time necessary, adopting the common rules of professional diligence in order to guarantee maximum confidentiality.

IMPLEMENTING PROVISIONS AND ENTRY INTO FORCE

15. Penalties

In the event of non-compliance by members of the administrative or control bodies of the Company or its Subsidiaries with the provisions of this Procedure, without prejudice to the liabilities and penalties envisaged by the applicable regulations, the competent administrative or control body may take any appropriate action or remedy permitted by current legislation through a specific resolution to be adopted with the abstention of the members involved.

Any Employees failing to comply with the provisions of this Procedure may be subject to disciplinary measures under the national collective labour agreement applicable to them, including, in the most serious cases, dismissal and without prejudice to the attribution of other responsibilities pursuant to the applicable laws and regulations.

For persons who carry out their work and/or profession on behalf of the Company and/or its Subsidiaries with contracts by which they are not employees, any failure to comply with the provisions of this Procedure may entail the application of measures pursuant to and for the purposes of the law and contractual provisions governing the individual relationship, and even, in the most serious cases, dismissal – including without notice – or termination of their contract, without prejudice to any other liabilities and related obligations to pay damages pursuant to current regulations.

16. Amendments and additions

The Chairperson of the Board of Directors, the Deputy Chairperson and/or the Chief Executive Officer of the Company, severally, shall make any changes and additions to the present Procedure as may be necessary or suitable as a result of organizational changes to the Company or Subsidiaries, or to regulatory changes. Specifically, the Procedure will be promptly amended and/or supplemented following the alignment of Italian primary and secondary legislation to the applicable EU provisions.

The Investor Relator shall notify all Addressees in writing of the amendments and/or additions made thereto.

17. Notifications

Any communication pursuant to this Procedure must be made in writing to the attention of the Investor Relator by fax to +39 049 9716750 or by e-mail to the following address ir@carel.com, or by registered letter with acknowledgement of receipt to the following address: Carel Industries S.p.A., in via dell'Industria, 11 – 35020, Brugine (PD).

18. Information Flows to the Supervisory Body

Supervision of the correct application of this Procedure by the Addressees is entrusted to the Supervisory Board, which for those purposes will have access to the Register and all the registrations therein.

Should any breaches of the Procedure be found, the Supervisory Board shall promptly inform the Chairperson of the Board of Directors, the Deputy Chairperson and/or the Chief Executive Officer of the Company in writing so that appropriate measures can be taken in relation to the severity of the breach.

All Addressees are required to provide the SB with the utmost cooperation, facilitating their assessments and providing the information they request. Addressees are also required to report to the SB any infringements of the Procedure of which they have become aware and to cooperate in any investigations carried out in connection with the infringements, maintaining the strictest confidentiality in this regard.

19. Entry into force

The Procedure was approved by the Board of Directors of the Company on 29 March 2018 and subsequently last amended on 14 May 2026.



20. Annexes

- a. Annex A – Policy on adding a subject to the Register of persons with access to Inside Information.
- b. b. Annex B – Format of the lists of persons having access to Inside Information pursuant to Article 1(1) of Regulation 2022/1210;
- c. c. Annex C – Format of the permanent insiders section of the lists of persons having access to Inside Information pursuant to Article 1(2) of Regulation 2022/1210.

21. ANNEX A - Policy on adding a subject to the Register of persons with access to Inside Information

Brugine (PD), [dd/mm/yy]

Re: *Policy on adding a subject to the Register of persons with access to Inside Information*

Dear *Sir/Madam/Customer*

In compliance with Article 18 of Regulation (EU) No. 596/2014 of the European Parliament and of the Council ("MAR"), Carel Industries S.p.A. (the "Company") has established a register of persons who have access to inside information pursuant to the applicable provisions (the "Information" and the "Insider Register", respectively). In accordance with the Company's Procedure for the Management of Inside Information and the maintenance of the Insider Register, in my capacity as Investor Relator responsible for maintaining and updating the Insider Register, I hereby inform you that, on [•], due to...

[enter function and reason for being an Insider] your personal details have been entered into the Company's Insider Register in the "Permanent Section" [or alternatively] in the "Specific Section" relating to the following Inside Information

[enter the description of the Inside Information to which each section refers]

Pursuant to the Procedure and the applicable provisions, the Company is required to disclose the Inside Information regarding the company itself or its subsidiaries without delay to the public and any delay of such compliance shall only be permissible, under the responsibility of the Company, under certain circumstances and under the conditions established by Consob, provided that the Company is able to ensure the confidentiality of such information.

If the Information is disclosed to a third party not subject to a confidentiality obligation, the Company must fully disclose it to the public, simultaneously in the case of intentional disclosure and without delay in the case of unintentional disclosure.

It is therefore essential that persons in the Register respect the confidentiality obligations for the Information to which they have access.

In this regard, please note that each person entered in the Insider Register is responsible for ensuring the traceability of the management of the Information and its confidentiality within their own sphere of activity and responsibility, starting from

the moment they come into possession of such Information by any means (i.e., through correspondence, meetings, encounters and/or any other event).

Should the Informed Person disclose (even unintentionally) the Information to subjects not in possession thereof (even those already included in the Insider Register for other reasons), he/she is obliged to immediately inform the *Investor Relator* thereof.

It should also be noted that Section I-Bis of the Consolidated Law on Finance (Legislative Decree No 58/1998 and subsequent amendments, hereinafter the “TUF”) provides for specific sanctions for cases of abuse of Inside Information and market manipulation. In particular, penal (Article 184 of the TUF) are foreseen for anyone who, being in possession of Inside Information by virtue of his or her position as a member of the administrative, management or control bodies of the issuer, participation in the capital of the issuer, or the exercise of a working activity, profession or function, including public, or office,

- a. buys, sells or carries out other transactions involving, directly or indirectly, for his own account or for the account of a third party, financial instruments using such information
- b. discloses such information to others outside the normal exercise of his employment, profession, duties or position, or of a market sounding carried out in accordance with Article 11 of MAR;
- c. recommends or induces others, on the basis of such information, to carry out any of the transactions referred to in paragraph a).

Administrative pecuniary sanctions are also provided for (Article 187-bis of the TUF) against those who violate the prohibition of insider dealing and unlawful disclosure of inside information set out in Article 14 of MAR, by engaging in the conduct referred to in Articles 8 and 10 of MAR.

Furthermore, any person who (Article 185 of the TUF) disseminates false or misleading information capable of significantly affecting the price of financial instruments is subject to criminal prosecution, while anyone who violates the prohibition of market manipulation under Article 15 of MAR, by engaging in the conduct referred to in Article 12 of MAR, is subject to administrative sanctions (Article 187-ter of the TUF).

The fines and pecuniary administrative sanctions referred to in the Consolidated Law on Finance (TUF) may be increased up to three times the original or up to the larger amount of ten times the product of the offence or the profit therefrom when, in view of the personal situation of the guilty party, the magnitude of the product of the offence or the profit therefrom, they appear inadequate even if the maximum amount is applied.

Without prejudice to the Company’s right to claim compensation for any damage and/or liability that may derive from conduct in breach of the obligations referred to in this Policy, failure to comply with them shall entail:

- for employees, the imposition of disciplinary penalties provided for by current legislation and applicable collective bargaining agreements,
- for any other co-workers, dismissal – even without notice;
- for directors and statutory auditors of the Company, the Board of Directors may at the subsequent Shareholders’ Meeting propose dismissal for just cause of the non-compliant director or statutory auditor.



We invite you to keep the Company constantly updated on any changes to the information indicated in this Policy, promptly reporting any changes to Carel Industries S.p.A. at the following e-mail address: ir@carel.com and, as of the date of this notification, to keep your Register of persons with access to Inside Information constantly up-to-date for the persons included in our Insider Register.

Please return this document duly signed for acknowledgment and acceptance within 7 (seven) days of receipt to Carel Industries S.p.A. at the following e-mail address: ir@carel.com.

The personal details needed to be entered into the Register and for the related updates will be processed in accordance with current provisions on data protection.

For any information or clarification concerning this document and its application, please contact the *Investor Relator*.

Best regards,

(Investor Relator)

22. Legislative Decree No 58 dated 24 February 1998 58 CONSOLIDATED LAW ON FINANCE

23. Chapter II: Criminal sanctions

Art. 184

(Insider trading or unlawful disclosure of inside information.

Recommending or inducing others to commit misuse of privileged information)

1. Imprisonment for between two and twelve years and a fine of between twenty thousand and three million euro shall be imposed on any person who, possessing inside information by virtue of his membership of the administrative, management or supervisory bodies of an issuer, his holding in the capital of an issuer or the exercise of his employment, profession, duties, including public duties, or position:
 - a. buys, sells or carries out other transactions involving, directly or indirectly, for his own account or for the account of a third party, financial instruments using such information;
 - b. discloses such information to others outside the normal exercise of his employment, profession, duties or position or a market survey conducted pursuant to Article 11 of Regulation (EU) No 596/2014 of the European Parliament and of the Council of 16 April 2014;
 - c. recommends or induces others, on the basis of such information, to carry out any of the transactions referred to in paragraph a) .2. The punishment referred to in paragraph 1 shall apply to any person who, possessing inside information by virtue of the preparation or execution of criminal activities, carries out any of the actions referred to in paragraph 1.
2. Apart from cases of complicity in the offences referred to in paragraphs 1 and 2, imprisonment for between one year and six months and ten years and a fine of between twenty thousand and two million five hundred thousand euro shall be imposed on any person who, possessing inside information for reasons other than those indicated in paragraphs 1 and 2 and knowing the inside nature of such information, carries out any of the actions referred to in paragraph 1.
3. In the cases referred to in paragraphs 1, 2 and 3, the fine may be increased to up to three times or up to the larger amount of ten times the product of the crime or the profit therefrom when, in view of the particular seriousness of the offence, the personal situation of the guilty party or the magnitude of the product of the crime or the profit therefrom, the fine appears inadequate even if the maximum is applied.
4. The provisions of this article shall also apply where the facts referred to in paragraphs 1, 2 and 3 concern conduct or transactions, including bids, relating to auctions on an authorised auction platform, such as a regulated market for emission allowances or other related auctioned products, even where the auctioned products are not financial instruments, pursuant to Commission Regulation (EU) No 1031/2010 of 12 November 2010.

Art. 185

(Market manipulation)

1. Imprisonment for between one and six years and a fine of between twenty thousand and five million euro shall be imposed on any person who disseminates false information or sets up sham transactions or employs other

devices concretely likely to produce a significant alteration in the price of financial instruments. The penalty is imprisonment from two to seven years and a fine from twenty-five thousand euro to six million euro if the act is committed through the use of artificial intelligence systems.

1-bis. A person who has committed the act by means of buy or sell orders or transactions carried out for legitimate reasons and in accordance with accepted market practices, pursuant to Article 13 of Regulation (EU) No 596/2014, shall not be punishable.

2. Courts may increase the fine up to three times or up to the larger amount of ten times the product of the crime or the profit therefrom when, in view of the particular seriousness of the offence, the personal situation of the guilty party or the magnitude of the product of the crime or the profit therefrom, the fine appears inadequate even if the maximum is applied.

Art. 186

(Accessory penalties)

1. Conviction for any of the offences referred to in this section shall entail the application of the accessory penalties referred to in Articles 28, 30, 32-bis and 32-ter of the Criminal Code for a period of not less than six months and not more than two years and the publication of the judgement in at least two daily newspapers having national circulation of which one shall be a financial newspaper.

Art. 187

(Confiscation)

1. In the event of conviction for one of the crimes referred to in this chapter, the confiscation of the property constituting the profit therefrom shall always be ordered.
2. If it is not possible to execute the confiscation pursuant to paragraph 1, a sum of money or property of equivalent value may be confiscated.
3. For matters not provided for in paragraphs 1 and 2, Article 240 of the Criminal Code shall apply.

24. Chapter III: Administrative sanctions

Art. 187-bis

(Insider trading and unlawful disclosure of inside information)

1. Without prejudice to penalties where the act constitutes a criminal offence, any person who breaches the ban on insider trading and the unlawful disclosure of inside information provided for in article 14 of Regulation (EU) No 596/2014.
2. ... omissis...
3. ... omissis...
4. ... omissis...
5. The monetary penalties provided for in this article are increased up to three times or up to the greater amount of ten times the profit obtained or the losses avoided as a result of the offence when, taking into account the criteria listed in Article 194-bis and the amount of the proceeds or profit of the offence, they appear inadequate even if applied at the maximum.
6. For the cases referred to in this article, attempted violations shall be treated as completed violations.

Art. 187-ter

(Market manipulation)

1. Without prejudice to the penalties where the act constitutes a criminal offence, a fine ranging from twenty thousand euro to five million euro is applied to any person who violates the market manipulation ban provided for in article 15 of Regulation (EU) No 596/2014.
2. The provisions of Article 187-bis, paragraph 5, shall apply.
3. ...omissis...
4. An administrative penalty under this Article shall not be applied to a person who proves that he or she acted for legitimate reasons and in conformity with accepted market practices in the market concerned.

Art. 187-ter.1

(Penalties relating to breaches of the provisions of regulation (EU) No 596/2014 of the European Parliament and of the Council of 16 April 2014)

1. In respect of an entity or a company, for breach of the obligations provided for in article 16 (1) and (2), article 17 (1), (2), (4), (5) and (8) of Regulation (EU) No 596/2014, by the delegated acts and by the relevant regulatory and implementing technical standards, as well as by article 114 (3) of this decree, a monetary penalty of between five thousand euro and two million five hundred thousand euro, or two per cent of the turnover, shall be applied when the amount exceeds two million five hundred thousand euro and the turnover can be determined in accordance with article 195, paragraph 1-bis.
2. If the infringements referred to in paragraph 1 are committed by a natural person, a monetary penalty ranging from five thousand euro to one million euro shall be applied to the latter.
3. 3 . Without prejudice to the provisions of paragraph 1, the penalty indicated in paragraph 2 shall apply to company representatives and personnel of the company or body responsible for the violation, in the cases provided for in Article 190-bis, paragraph 1, letter a).
4. A fine ranging from five thousand to one million euro shall be applied to an institution or a company in case of breach of the obligations provided for in article 18 paragraphs from 1 to 6, article 19 paragraphs 1, 2, 3, 5, 6, 7, and 11, article 20 paragraph 1 of Regulation (EU) No 596/2014, the delegated acts and the relevant regulatory and implementing technical standards.
5. If the infringements referred to in paragraph 4 are committed by a natural person, a monetary penalty ranging from five thousand to five hundred thousand euro shall be applied to the latter.
6. Without prejudice to the provisions of paragraph 4, the sanction indicated in paragraph 5 shall apply to company representatives and personnel of the company or body responsible for the violation, in the cases provided for in Article 190-bis, paragraph 1, letter a) .7. If the advantage obtained by the infringer as a consequence of the infringement is higher than the maximum limits indicated in this article, the monetary penalty is increased up to three times the amount of the advantage obtained, provided that this amount can be determined.
7. In combination with the monetary fines provided for in this Article, Consob may also apply one or more of the administrative measures provided for in article 30(2)(a) to (g) of Regulation (EU) No 596/2014. 9 . When the breaches are characterised by minor offences or risk, instead of the financial penalties

envisaged in this article, Consob may apply one of the following administrative measures, without prejudice to the right to order confiscation as per Article 187-sexies:

- a. an order to eliminate the alleged breaches, with a possible indication of the measures to be taken and the deadline for compliance, and to refrain from repeating them;
 - b. a public statement regarding the breach committed and the person responsible, when the contested breach has ceased.
8. Non-compliance with the obligations prescribed by the measures referred to in article 30(2) of Regulation (EU) No 596/2014 within the prescribed time limit shall result in an increase of up to one third of the fine applied or in the application of the fine provided for the original breach increased by up to one third .11. Articles 6, 10, 11 and 16 of Law 689 of 24 November 1981 shall not apply to the financial penalties provided for in this Article 689.

Art. 187-quater

(Accessory administrative sanctions)

1. The application of the monetary penalties provided for in Articles 187-bis and 187-ter entails:
 - a. temporary disqualification from carrying out functions of administration, management and control in entities authorised under this decree, Legislative Decree No 385 of 1 September 1993, Legislative Decree No 209 of 7 September 2005 or pension funds;
 - b. temporary disqualification from carrying out functions of administration, management and control of listed companies and companies belonging to the same group of listed companies;
 - c. pursuant to article 26 paragraph 1, letter d) and 1-bis of Legislative Decree No 39 of 27 January 2010, suspension from the Register of the statutory auditor, audit firm or the person in charge of the assignment;
 - d. suspension from the register referred to in Article 31(4) for financial advisors authorised to offer their services outside their offices;
 - e. the temporary loss of the requirements of good repute for participants in the capital of the entities referred to in point a).
- 1 bis. Without prejudice to the provisions of paragraph 1, with the measure applying the monetary fines provided for in article 187-ter.1, Consob may apply the additional penalties indicated in paragraph 1, letters a) and b).
2. The additional penalties referred to in paragraphs 1 and 1-bis shall have a duration of not less than two months and not more than three years.
- 2 bis. When the offender has already committed, two or more times in the last ten years, one of the infringements provided for in Chapter II or a violation, with wilful misconduct or gross negligence, of the provisions of Articles 187-bis and 187-ter, the additional penalty of permanent disqualification from carrying out the functions of administration, management and control within the subjects indicated in paragraph 1, letters a) and b) shall apply, if the same subject has already been disqualified for a total period of not less than five years.
3. With the measure for the application of the monetary fines provided for in this chapter, CONSOB, taking into account the seriousness of the breach and the degree of fault, may order the qualified entities, market operators, listed issuers and auditing firms not to avail themselves, in the exercise of their activity and for a period not exceeding three years, of the services of the perpetrator, and to request the competent professional associations to temporarily suspend the person registered with the association from exercising the professional activity,

as well as to apply to the perpetrator a temporary ban from concluding transactions, or from placing orders to buy or sell in direct counterparty of financial instruments, for a period not exceeding three years.

Art. 187-quinquies

(Liability of the entity)

1. The entity shall be punished with a pecuniary administrative sanction of between twenty thousand euro and fifteen million euro, or up to fifteen per cent of its turnover, where that amount exceeds fifteen million euro and the turnover can be determined pursuant to Article 195(1-bis), in the event that a breach of the prohibition referred to in Article 14 or of the prohibition referred to in Article 15 of Regulation (EU) No 596/2014 is committed in its interest or to its advantage:
 - a. by persons performing representative, administrative or management functions in the entity or one of its organizational units having financial and functional autonomy and by persons who, de facto or otherwise, manage and control the entity;
 - b. persons subject to the direction or supervision of a person referred to in paragraph a).
2. If, following the perpetration of offences referred to in paragraph 1, the product thereof or the profit therefrom accruing to the entity is very large, the sanction shall be increased up to ten times such product or profit.
3. Entities shall not be liable if they demonstrate that the persons specified in paragraph 1 acted exclusively in their own interest or in the interest of third parties.
4. Articles 6, 7, 8 and 12 of Legislative Decree No 231 of 8 June 2001 shall apply mutatis mutandis to the offences referred to in paragraph 1. 231. The Ministry of Justice shall make the observations with regard to the offences provided for under this section and referred to in Article 6 of Legislative Decree No 231 of 8 June 2001, after consulting Consob.

Art. 187-sexies

(Confiscation)

1. The application of the monetary fines provided for in this section shall entail the confiscation of the proceeds or profits from the offence.
2. If confiscation pursuant to paragraph 1 is not possible, such confiscation may be applied to sums of money, goods or other benefits of equivalent value.
3. In no case may the confiscation of property not belonging to one of the people to whom the fine is applied be ordered.

Art. 187-septies

(Penalty procedure)

1. Consob shall apply the penalties provided for in this section with a reasoned decision, after notifying the charges to the persons concerned, within one hundred and eighty days of the assessment or within three hundred and sixty days if the person concerned resides or has its registered office abroad. Within thirty days of the complaint, the persons concerned may submit statements and request a personal hearing during the preliminary investigation, which may be attended by a lawyer.
2. The proceedings are governed by the principles of adversarial debate,



knowledge of the investigative acts, the taking of minutes and the separation between investigative and decisional functions.

3. ...omissis...
4. An appeal against the measure applying the fine may be lodged with the court of appeal within the jurisdiction of which the opponent has its registered office or residence. If the opponent does not have its registered office or residence in the State, the court of appeal of the place where the infringement was committed has jurisdiction. When these criteria are not applicable, the Court of Appeal of Rome is competent. The appeal is notified, under penalty of forfeiture, to the authority that issued the measure within thirty days from the communication of the appealed measure, or sixty days if the appellant resides abroad, and is filed at the clerk's office, together with the documents submitted in the communication, within thirty days from the notification .5. Appeal does not suspend the enforcement of the order. The court of appeal may, if there are serious grounds, order the suspension by a non-appealable order.
6. The chairperson of the Court of Appeal appoints the reporting judge and establishes by decree the public hearing for the discussion of the appeal. The decree shall be notified to the parties by the clerk's office at least sixty days before the hearing. The Authority shall file statements and documents within ten days before the hearing. If the opponent does not appear at the first hearing without any legitimate impediment, the judge, by an order that can be appealed to the Supreme Court, declares the appeal inadmissible, charging the costs of the proceedings to the opponent.
- 6-bis. At the hearing, the Court of Appeal orders, also ex officio, the means of evidence it deems necessary, as well as the personal hearing of the parties who have requested it. Thereafter, the parties shall proceed to the oral discussion of the case. The judgement shall be deposited at the registry within sixty days. If at least one of the parties expresses an interest in the publication of the operative part in advance of the judgement, the operative part shall be published by lodging it at the Registry no later than seven days before the hearing.
- 6-ter. In its judgement, the court of appeal may either reject the opposition, charging the costs of the proceedings to the opponent, or uphold it, annulling all or part of the measure or reducing the amount or duration of the penalty.
7. A copy of the judgment shall be sent by the registry of the Court of Appeal to the authority that issued the measure, also for the purpose of publication provided for in article 195-bis.
8. Article 16 of law No 689 of 24 November 1981 is not applied to the fines provided for in this section. 689.

25. ANNEXB

The Model complies with Template 1 set out in Annex I to Regulation 2022/1210

Model 1

Format of the list of persons having access to inside information referred to in Article 1(1)

Description of the source of the specific inside information:

Date and time of creation of this section:

[yyyy-mm-dd, hh:mm UTC (Coordinated Universal Time)]

Date and time (last update):

[yyyy-mm-dd, hh:mm UTC (Coordinated Universal Time)]

Date of transmission to the competent authority: [yyyy-mm-dd]

First name of the person having access	Last name of the person having access	Birth surname of the person having access	Business telephone numbers (direct professional landline and mobile)	Name and address of the company	Function and reason for access to inside information	Obtained (date and time at which the person obtained access to inside information)	Ceased (date and time at which the person ceased to have access to inside information)	National identification number (if applicable)	Date of birth	Private telephone numbers (home and personal mobile)	Full residential address (street, house number, city, postal code, country)
[text]	[text]	[text]	[numbers (without spaces)]	[address of the issuer / emission allowance market participant / auction platform / auctioneer / auction monitor or third party of the person having access]	[description of the role, function and reason for inclusion in the list]	[aaaa-mm-gg, hh:mm UTC]	[aaaa-mm-gg, hh:mm UTC]	[number and/or text]	[yyyy-mm-dd]	[numbers (without spaces)]	[text]



26. ANNEX C

The Template complies with Template 2 set out in Annex I to Regulation 2022/1210

Format of the permanent insiders section of the lists of persons having access to inside information referred to in Article 1(2)

Date and time of creation of this section:

[yyyy-mm-dd, hh:mm UTC (Coordinated Universal Time)]

Date and time (last update):

[yyyy-mm-dd, hh:mm UTC (Coordinated Universal Time)]

Date of transmission to the competent authority: [yyyy-mm-dd]

First name of the person having access	Last name of the person having access	Birth surname(s) of the person having access (if different)	Business telephone numbers (direct professional landline and mobile)	Name and address of the company	Function and reason for access to inside information	Entered (date and time at which the person was included in the permanent insiders section)	National identification number (if applicable)	Date of birth	Private telephone numbers (home and personal mobile)	Full residential address (street, house number, city, postal code, country)
[text]	[text]	[text]	[numbers (without spaces)]	[address of the issuer or of the person acting on its behalf or for its account]	[description of the role, function and reason for inclusion in the list]	[aaaa-mm-gg, hh:mm UTC]	[number and/or text]	[yyyy-mm-dd]	[numbers (without spaces)]	[text]







Headquarters ITALY

CAREL INDUSTRIES Hqs.

Via dell'Industria, 11

35020 Brugine - Padova (Italy)

Tel. (+39) 0499 716611

Fax (+39) 0499 716600

carel@carel.com

© CAREL INDUSTRIES all rights reserved. CAREL INDUSTRIES reserves the right to modify the features of its products without prior notice.