

GEFRAN

BEYOND TECHNOLOGY

**POLICY
FOR MANAGING DIALOGUE WITH SHAREHOLDERS
AND INVESTORS**

FOREWORD

Gefran S.p.A. ("**Gefran**" or the "**Company**") is a listed company on the Euronext STAR Milan segment of the Italian Stock Exchange active in the design, production and marketing of sensors, components for industrial automation and drives.

The Company adheres to the Corporate Governance Code approved by the Italian Corporate Governance Committee promoted by the Italian Stock Exchange, the ABI, the ANIA, Assogestioni, Assonime and Confindustria and published on 31 January 2020 ("**Corporate Governance Code**").

The Gefran Group's Code of Ethics promotes relations with shareholders in compliance with the principles of transparency, equal treatment of shareholders and enhancing the value of investments.

This "*Policy for Managing Dialogue with Shareholders and Investors*" ("**Policy**") approved by the Board of Directors of Gefran on 10 March 2022 following a proposal by its Chairwoman in agreement with the Chief Executive Officer, represents the document with which Gefran implements Principle IV¹ of Art. 1 and Recommendation III of the Corporate Governance Code².

The adoption of this Policy is part of that principle that has always characterized the Company and is aimed at enhancing a fair discussion with its shareholders and investors with a view to creating value in the medium-long term.

In light of the foregoing, below are the principles with which the Company promotes dialogue with the following parties ("**Recipients**"):

- Gefran's current and potential shareholders regardless of their nature (*i.e.* professional, institutional or retail);
- financial and banking analysts, corporate brokers;

The objective pursued by the Policy is to ensure that the Company's dialogue with Recipients takes place in compliance with legislation and corporate regulations in force from time to time, including that concerning the processing of relevant and privileged information, and in any case that it is based on the principles of fairness, transparency and information symmetry.

¹ "*The board of directors promotes dialogue with shareholders and other stakeholders which are relevant for the company, in the most appropriate way.*"

² "*Upon proposal of the chair in agreement with the chief executive officer, the board of directors adopts and describes in the corporate governance report a policy for managing dialogue with the generality of shareholders, taking also into account the engagement policies adopted by institutional investors and asset managers. The chair ensures that the board of directors is in any case informed, within the first suitable meeting, of the development and the significant contents of the dialogue that has taken place with all the shareholders.*"

It is, in fact, in the interest of the Company that information is not misleading and that clear, complete, accurate and truthful information is provided to the Recipients through the aforementioned dialogue.

1. Object of the dialogue

The object of the dialogue with Recipients can be:

- Comments on the results achieved, including, by way of example, characteristics of the businesses, specific elements underlying these results
- Management performance and periodic financial results
- Dividend policy and buy-back programs;
- In-depth analysis of contingent issues, with a focus on management by the Group; evolution expectations including expected impacts on results
- Strategic plans, with reference to both internal lines and any external ones
- The matters dealt with by the Corporate Governance Code including, by way of example: the Corporate Governance system, the internal risk control system and remuneration policies
- The sustainability initiatives implemented by Gefran

2. How to manage the dialogue

The Company interacts with Recipients by:

- making the following available on the institutional website, and on the authorized storage mechanism:
 - (i) regulated information (including the Annual Financial Report, interim reports, etc.);
 - (ii) press releases, including any disclosure of inside information, as defined pursuant to the regulations concerning so-called market abuse;
 - (iii) information whose release is required by the CONSOB or by the stock market management company; as well as
 - (iv) information required by law or regulations;
- making available the documentation required by law and regulations regarding the shareholders' meeting and any interaction with the latter at the shareholders' meeting;

- additional disclosures not attributable to legislative obligations, but deemed useful by the Company, such as, for example, the sustainability strategic plan;
- direct contact of the Company with the Recipients through the Investor Relations function;
- participation in one-to-one meetings, conference calls and road shows organized by the Italian Stock Exchange or other entities.

With a view to timely disclosure to Recipients, the Company's institutional website is constantly updated.

3. Role of the Board of Directors

The Board of Directors:

- 1) Prepares and approves the Policy for managing the dialogue with shareholders and investors;
- 2) It oversees the dialogue with Recipients and must be kept informed about significant contents. To this end, at the next meeting, the Chairwoman, with the support of the Investor Relations function, will provide the Board of Directors with information on the issues subject to dialogue with Recipients. This is also in order to allow the Board of Directors to monitor the implementation of the Policy and to evaluate any changes to it, if deemed appropriate.

The Board of Directors plays a leading role in the direction, supervision and monitoring of the Policy and, with it, of the progress of the dialogue thus guaranteed.

4. Role of the Chairwoman and the Chief Executive Officer

The responsibility for dialogue rests exclusively with the Directors who represent the Company, identified in the Chairwoman and the Chief Executive Officer, consistently with their powers of representation and competence regarding the topics of the dialogue.

5. Contact

Recipients can contact the Investor Relations function at the addresses provided:

- on the Company's website in "Investor Relations" > "Contact Us" section
- on the website of the Italian Stock Exchange in Gefran "Company Profile" section

5.1. Contact methods

Recipients can contact the Investor Relator as provided in the previous paragraph by e-mail or telephone.

Depending on the subject of the contact request, and subject to its acceptance, Investor Relator evaluates the methods of conducting the dialogue (one-way, two-way, bilateral, collective).

In any case, it is in the Company's interest to provide a prompt response where possible not only directly, but also by e-mail or, where deemed necessary, by direct dialogue.

Telephone dialogue can only be carried out if it is possible to identify the caller unambiguously.

5.2. Evaluation criteria

The evaluation of the acceptance of the proposal or the request for dialogue, and on the methods of carrying it out (one-way, two-way, bilateral, collective), may take into account various factors, even jointly with each other, such as, by way of example and not limited to:

- the relevance of issues to the topics of dialogue;
- the degree of seriousness of the proposal or request and the significance of the issues;
- the previous activation, on the same topics, of other forms of dialogue;
- the potential interest of the topic to be discussed for a more or less large number of Recipients, if necessary by taking into account the number of requests received, even previously, on the same topic;
- the presence of any situations or potential situations in which the interest of Recipients conflicts with that of the Company;
- the effective relevance of the dialogue and its foreseeable usefulness, also with a view to creating value in the medium-long term;
- compliance with any relevant legal, regulatory and / or self-regulatory limits.

6. Report on Corporate Governance and Ownership Structure

In the Report on Corporate Governance and Ownership Structure approved by the Board of Directors, in addition to the existence of this Policy, the Company must also illustrate the main elements resulting from the engagement activity that emerged with Recipients.

7. Information provided

The information provided to the Recipients is in any case respectful of the principles established and the limits set by law, with reference to the prohibitions of selective disclosure of sensitive information as well as, in general, to the legislation on the prevention of market abuse and dissemination of inside information.

The Recipients remain responsible for any use of the information received from the Company that constitutes a violation of a legal obligation or that is detrimental to the interests of the Gefran Group or third parties.

The information provided by the Company is proportionate and adequate with respect to the request of the Recipient, as well as strictly relating to the issues for which the Recipient has requested to establish the dialogue, also taking into account the interests of the Group and the restrictions provided for by the Policy.

In the event of written responses, the Investor Relations function will consult in advance with the Legal and Corporate Affairs function to verify the response's compliance with this Policy and further regulatory provisions.

8. Publication

This Policy is published on the Company's institutional website in the Governance > Documents and Procedures section.

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