



Organization, Management and Control Model
pursuant to the
Legislative Decree no. 231 of 8 June 2001

RESOLUTION OF 22/11/2023

GENERAL PART

1. The responsibility of The Crime of the Entities: regulatory notes

1.1. Scope

Legislative Decree no. 231 of 8 June 2001 (hereinafter, for the sake of brevity, "Legislative Decree 231/2001" or "Decree"), implementing the delegated law of 29 September 2000, n. 300, introduced into the Italian legal system the criminal liability of the Entities for administrative offenses dependent on crime (Article 1 of Legislative Decree 231/2001), in cases where the criminal offense was committed in its interest or for its benefit by subjects who hold representative functions, administration, management or control or who is under their ¹ direction or supervision (see paragraph 1.2 below).

It is a form of responsibility attributable to the Body in an autonomous manner, that is, it is flanked by the criminal responsibility of the offender (Art. 8 "*Autonomy of the responsibilities of the entity*"). In other words, **from the same fact of crime originate two responsibilities (that of the offender and that of the Entity) distinct from the point of view of discipline and consequences.** So much so that the responsibility of the Body is also configured "when the offender has not been identified" (Art. 8 letter a, pt. I).²

Recipient Entities

Recipients of the discipline are entities with legal personality, companies and associations even without legal personality (Article 1, paragraph 2). On the other hand, the State, local public bodies, other non-economic public bodies and entities that perform functions of constitutional importance are expressly excluded (Article 1, paragraph 3).

The catalogue of alleged offences

¹ The rules not followed by any specific indication are those of Legislative Decree 231/2001.

² As well as when the offender "is not imputable" (Article 8 letter a, pt. II), or "the offence is extinguished for a cause other than amnesty" (Article 8 letter .b).

The administrative liability of the Entity does not arise whenever any type of crime is committed, but only in relation to those expressly provided for by the Decree.

The original "range of action" of the discipline dictated by Legislative Decree 231/2001 included only the crimes indicated in Articles. 24 and 25 (crimes against the Public Administration). Subsequently, and also in order to implement various international conventions, the catalogue of presupposed crimes has been progressively expanded and today includes a rather heterogeneous series of crimes (articles 24 - 25 - *quinquiesdecies*).

The offences currently included in the list of presupposed offences are included in the following categories:

- crimes committed in relations with the Public Administration (articles 24 and 25 as subsequently amended by Law no. 190 of 6 November 2012, by Law no. 69 of 27 May 2015, by Law no. 161 of 17 October 2017 and most recently by LawNo.3 of 9 January 2019);
- the crimes of counterfeiting in coins, public credit cards and stamp duty values and in instruments or signs of recognition (Article 25-bis introduced by Legislative Decree no. 350 of 25 September 2001, subsequently amended by Law no. 99 of 23 July 2009, and most recently by Legislative Decree no. 125 of 21 June 2016);
- corporate crimes (Art. 25-ter introduced by Legislative Decree no. 61 of 11 April 2002, subsequently integrated with the crime of "corruption between private individuals" by Law no. 190 of 6 November 2012 and, most recently, amended by Law no. 69 of 27 May 2015 and Legislative Decree no. 38 of 15 March 2017);
- offences with the purpose of terrorism or subversion of the democratic order (Article 25-quarter introduced by Law no. 7 of 14 January 2003);
- the practices of mutilation of the female genital organs (art. 25-quaer1 introduced by law 9 January 2006, n. 7);

- crimes against individual personality (Art.25-*quinquies* introduced by Law no. 228 of 11 August 2003, subsequently amended by Law no. 199 of 29 October 2016);
- offences and administrative offences of market abuse (Article 25-*sexies* introduced by Law no. 62 of 18 April 2005);
- transnational crimes (introduced by Law no. 146 of 16 March 2006);
- the crimes of manslaughter and serious or very serious injuries committed with violation of the rules on the protection of health and safety at work (art. 25-*septies* introduced by law 3 August 2007, n. 123 and subsequently replaced by Legislative Decree 9 April 2008, n. 81);
- the crimes of receiving stolen goods, money laundering and use of money, goods or utilities of illicit origin as well as the crime of self-laundering (article 25-*octies* introduced by Legislative Decree 21 November 2007 n. 231 subsequently integrated with the crime of "self-laundering" by law 15 December 2014, n. 186);
- offences relating to non-cash payment instruments (Article 25-*octies*.1, introduced by Legislative Decree 184/2021);
- computer crimes and the unlawful processing of data (Article 24-*bis* introduced by Law no. 48 of 18 March 2008, and subsequently amended by Legislative Decree no. 7 of 15 January 2016);
- crimes against industry and commerce (art. 25-*bis* 1 introduced by Law no. 99 of 23 July 2009);
- the crimes of organized crime (art. 24-*ter* introduced by Law no. 94 of 15 July 2009 and amended by Law no. 69 of 27 May 2015);
- crimes relating to copyright infringement (art. 25-*novies* introduced by Law no. 99 of 23 July 2009);
- the crime of induction not to make declarations or to make false declarations to the judicial authority (art. 25-*decies* introduced by Law 3 August 2009, n. 116 and subsequently amended by Legislative Decree 7 July 2011, n. 121);
- environmental crimes (art. 25-*undecies* introduced by Legislative Decree no. 121 of 7 July 2011, subsequently supplemented by Law no. 68 of 22 May 2015 and amended by Legislative Decree no. 21 of 1 March 2018);

- the offence of employing third-country nationals whose residence permit is illegal (Article 25-*duodecies* introduced by Legislative Decree no. 109 of 16 July 2012 and amended by Law no. 161 of 17 October 2017);
- crimes of racism and xenophobia (art. 25-*terdecies* introduced by Law no. 167 of 20 November 2017 and amended by Legislative Decree no. 21 of 1 March 2018);
- the crimes of fraud in sports competitions, abusive exercise of gaming or betting and games of chance exercised by means of prohibited devices (art. 25-*quaterdecies* introduced by law 3 May 2019, n. 39);
- tax crimes (Article 25-*quinquiesdecies*, Legislative Decree no. 231/2001, introduced by Legislative Decree no. 124/2019, as amended upon conversion as well as most recently amended by Legislative Decree no. 75/2020);
- contraband offenses under Presidential Decree 43/1973 (Article 25-*sexiesdecies* introduced by Legislative Decree No. 75 of July 14, 2020);
- offences against the cultural heritage (Article 25-*septiesdecies*, introduced by Law No. 22 of 9 March 2022);
- laundering of cultural assets and devastation and looting of cultural and landscape assets (Article 25-*duodevicies*, introduced by Law No. 22 of 9 March 2022).

Further types of crime may, however, in the future be included by the legislator in the discipline dictated by Legislative Decree 231/2001.

1.2. The criteria for the attribution of responsibility

As for the criteria for attributing liability for offences to entities, in the first place, it is required that the alleged offence (see paragraph 1.1 above) was committed by:

- a) "Persons who hold functions of representation, administration or management of the Body or of one of its organizational units endowed with financial and functional autonomy as well as by persons who exercise, even in fact, the management and control of the same" (Art. 5, paragraph 1, letter a) (so-called **subjects in apical or apical position**).

- b) "Persons subject to the direction or supervision of one of the subjects referred to [above]" (Article 5, paragraph 1, letter. b) (so-called **subjects subject to the management of others or subordinates**).

On the other hand, as expressly provided, **the Entity** is not **liable if the subject has acted" in the exclusive interest of himself or of third parties"** (Article 5, paragraph 2).

Secondly, in addition to the "qualified relationship" that must exist between the offender and the Entity in the aforementioned terms, it is necessary that the offense be committed in the **interest** or for the **benefit** of the collective subject.

Interest is the subjective criterion (to be evaluated *ex ante*) and consists "in the finalistic prospect, on the part of the offender-natural person, of causing an interest to the entity through the commission of the crime, to nothing, assuming that then this interest has been concretely achieved or not".

The advantage, on the other hand, is the objective criterion (to be evaluated *ex post*), which corresponds "to the actual enjoyment, by the institution, of a concrete advantage due to the commission of the crime" (Cass. pen., sec. IV, 23 May 2018, n. 38363).

Thirdly, for the purposes of attributing responsibility to the Body pursuant to Legislative Decree 231/2001, there must be the so-called "**fault of organization**", i.e. the cases of: (see, *infra* par. 1.4):

- a) failure to adopt or implement by the Body an organizational model suitable to prevent the commission of crimes of the type that occurred;
- b) failure to entrust autonomous powers of initiative and control to a specific body of the Body (ie insufficient supervision by the latter) and the non-fraudulent circumvention by the apical subject of the prevention model adopted by the institution itself.

The Decree places different burdens on the Body depending on whether the alleged crime was committed by an apical or by a subject to the supervision of others.

In particular, in the first case the burden of proving the fault of the organization rests on the Institution.

And indeed, pursuant to art. 6, paragraph 1 **"the institution is not liable if it proves"**:

- to have adopted, before the commission of the fact, effective and suitable organizational and management models to prevent the commission of crimes of the same kind as the one that occurred (letter a);
- to have entrusted to its own body, endowed with autonomous powers of initiative and control, the task of supervising the functioning and observance of the same and of taking care of their updating (letter. b);
- and, in constancy of these requirements, that the offender acted by fraudulently circumventing the organization and management models (letter .c);
- that there has been no omission or insufficient supervision by the body responsible for this (letter d).³

Otherwise, in the event that the offence was committed by a subordinate person, the burden of proving the failure of the Institution to adopt or implement the Model by the Body rests on the public prosecutor (Article 7).⁴

1.3 The sanctioning regime

The sanctions imposed on the Body are (art. 9):

- a) the financial penalty (Articles 10-12);
- b) prohibitive sanctions (Articles 13-17);

³ Please note that, in any case and beyond the recognition of the responsibility of the Institution, it is available 'the confiscation of the profit which the institution has made from the offence, including in the form of an equivalent'.

⁴ In the absence of a suitable organizational model, the attribution of responsibility to the Body still requires proof of non-compliance with the obligations of management and supervision.

- c) the publication of the conviction (Article 18);
- d) confiscation (Art. 19).

Prohibitive sanctions may also be applied as a precautionary measure, although never jointly with each other, at the request of the court by the public prosecutor, when, jointly:

- a) there are serious indications regarding the responsibility of the Institution;
- b) there are well-founded and specific elements that suggest that there is a real danger that offenses of the same nature as the one for which we are proceeding.

In ordering precautionary measures, the court takes into account the specific suitability of each in relation to the nature and degree of the precautionary requirements to be met in the specific case, as well as the necessary proportion between the extent of the fact and the sanction that is considered to be applied to the Entity definitively.

1.4 The Organization, Management and Control Model

As we have seen, the Model of Organization, Management and Control, in the system outlined by Legislative Decree 231/2001, assumes a dual function. The one exempt, because it excludes, in certain cases and under certain conditions, the responsibility of the Entity, and the other reparatory, because its adoption or its adjustment, following the commission of the crime, can produce a reduction of the pecuniary penalty and the inapplicability of addictive sanctions.

1.4.1 The contents of the Model

Given the "strength" of the Model, the Decree has traced its "skeleton", expressly establishing that this provides for (art. 6, paragraph 2):

- identify the areas at risk of commissioning the crimes provided for by the Decree;

- provide for specific protocols in order to plan the training and implementation of the body's decisions in relation to the crimes to be prevented;
- identify ways of managing financial resources to prevent the commission of crimes;
- provide for information obligations towards the body responsible for supervising the functioning and compliance with the Model;
- introduce an internal disciplinary system suitable for sanctioning non-compliance with the measures indicated in the Model.

2. The adoption of the Model

2.1. WILO ITALIA S.R.L.

The Company

WILO ITALIA S.R.L. (hereinafter, for brevity, "WILO ITALIA" or "the Company") is a *leading* enterprise in high-tech pump systems and pumping systems that forms part of the WILO SE group born in 1872 as *Kupfer-und Messing Waren Fabrik* in Dortmund. The research and development of new products and solutions for water pumping is synonymous internationally with technology, energy efficiency and reliability. WILO ITALIA S.R.L. is one of the most important manufacturers of pumps and pumping systems for Building Services, Water Management and Industry.

Offices and branches

WILO ITALIA S.R.L. HAS ITS registered office in Segrate (MI) in Via Novegro, 1a, 20090. Following the recent merger by incorporation of WILO SYSTEMS Italia S.R.L. in WILO ITALIA S.R.L. , the company also has its operational headquarters in Via Maestri del Lavoro, 2A, 70100 Bari (BA)

The structure

The Structure of WILO ITALIA S.R.L. it consists of the following organs, figures and functions:

- Shareholders' Meeting;
- Board of Directors;
- Board of Statutory Auditors;
- *Country Manager*;
- *Head of production Site*;
- *Finance Management*;
- *Assistant Management*;

- *Controller;*
- *Building services sales Management;*
- *OEM sales Management;*
- *Water Sales Management;*
- *Service Management;*
- *Procurement & Logistics Management;*
- *Marketing Management;*
- *R.S.P.P.;*
- *Wilo Group Business;*
- *IT Manager;*
- *Professional HR Administration;*
- *Professional Receptionist*

The governance model

The *governance* model in

WILO ITALIA S.R.L. it has a triadic structure, it consists of three segments of marketed heterogenies such as:

- *Building services;*
 - *OEM services;*
 - *Water Management;*
- Specifically, *building services* are divided into:
 - *Building services residential*, with reference to the services provided by the Company in single- and two-family housing units and multi-family residences.
 - *Building services commercial*, in relation to the services provided in buildings for commercial use.
 - The second segment concerns what are the *Water Utilities*. WILO ITALIA is a system supplier that with its wide range of pumps, accessories and services covers the entire water circuit ranging from the collection of water (untreated) from wells or public sources to the use of rainwater, water treatment and water supply,

without neglecting water pressurization systems. The Company also operates on pumping systems for desalination and sprinkler irrigation in the agricultural sector.

- A third segment is instead that of *OEM services*. The OEM (*Original Equipment Manufacturer*) segment has as its interlocutor a type of industrial customer. The Company manufactures components that will then be installed in a finished product on which the final manufacturer affixes its trademark.

2.1.1 The adoption of the Model and the establishment of the Supervisory Body

WILO ITALIA S.R.L. has decided to adopt its own Organization, Management and Control Model (hereinafter also the "Model"), of which this document constitutes the General Part.

The Model of WILO ITALIA S.R.L. is the synthesis of a structured and organic system of lines of conduct, procedures, information flows and control activities, aimed at preventing the commission of the crimes-assumption provided for by Legislative Decree 231/2001. All sensitive activities must therefore be carried out in accordance with the laws in force, the procedures, the rules and company *policies* and in general all the rules contained in this Model or referred to by it.

The Model is updated to current legislation, jurisprudence and *best practices*.

In implementation of the provisions of the Decree, WILO ITALIA S.R.L. has entrusted a Supervisory Body (SVO), with powers of initiative and control, with the task of assessing the adequacy of the Model and its effective and effective implementation, as well as of updating it (of which paragraph 3 will be *mentioned below*).

The Decree expressly delegates to the management body the adoption and effective implementation of the Organizational Model (Article 6, paragraph 1, letter a).

Amendments, updates and additions to this Model are the responsibility of the administrative body, after consulting the SO.

2.2 Objectives of the Model and its key points

This Model represents the assembly of a structured and organic system of lines of conduct, procedures, information flows and control activities, aimed at preventing and discouraging the commission of the various alleged crimes contemplated by Legislative Decree 231/2001.

Key points of the Model are transparency, formalization and separation of roles with regard to the attribution of responsibilities and operational activities.

The arrival of this document comes after a careful analysis of the company's state, in which the existing control systems and systems already widely operating in the company have been examined, as they are also suitable to be used as measures for the prevention of crimes and control over the processes involved in sensitive activities.

A detailed *risk assessment* was therefore carried out aimed at identifying the possible risks-crime related to the performance of company activities, in their hypothetical methods of commission, through the study of the organizational and entrepreneurial articulation of the Company, its current procedures and operating mechanisms as well as through direct interviews with the numerous company representatives. This made it possible to identify and fill the existing *gaps*, through a comparison with the functions involved that allowed to identify the best and most efficient ways of controlling and preventing risks.

Furthermore, the Company, with the support of the Supervisory Body, takes care to constantly monitor the adherence of the Model to the company and to that legislation and to promptly modify its action if these vary or if its daily operating life reveals any inefficiencies. Proposals for changes may, in fact, be submitted by the Supervisory Body,

also on the basis of the reports received from the managers of the various company areas.

The Supervisory Body also receives reports of illegal conduct or violations of the Model through special *whistleblowing*

The Model is divided into the following parts:

- **General Part**, which contains the key points of the Model such as:
 - the definition of institutes, notions, principles of general application;
 - the description of the structure and activity carried out by the Company;
 - the identification of the Recipients of the Model and the lines of dissemination of its contents;
 - the establishment, composition, functioning and objectives of the Supervisory Body;
 - the features of the disciplinary system;
- **Special Part**, the content of which consists of sensitive activities in relation to the different types of crime provided for by the Decree and considered – at the outcome of the risk *assessment* activity conducted on the main business processes – more relevant also in the light of the Company's business.

The complete parts of the Model are considered:

- the documents attached to this Model and from time to time referred to in the text (such as procedures, management protocols, internal regulations);
- the Codex of WILO ITALIA S.R.L.; the latter is intended to express the principles and ethical values that the Company recognizes as its own and of which it requires the observance by all recipients. For anything not governed by this Model and its annexes, the provisions of the Code of Reference shall apply.

2.3 The Recipients of the Model

The rules contained in the Model apply to those who perform, even in fact, management, management or control functions within the Company, to employees, collaborators as well as to those who, although not belonging to the Company, operate on behalf of the same or are in any case connected to it.

The subjects to whom the Model is addressed are required to comply punctually with all the provisions, also in fulfillment of the duties of loyalty, correctness and diligence that arise from the legal relationships established with the Company (hereinafter the Recipients).

WILO ITALIA S.R.L. condemns any conduct contrary to the law, in addition to the law, to the provisions of its Models and the Code of Ethics, even if this is carried out in the interest of the Company, or with the intention of bringing it an advantage.

Therefore, WILO ITALIA S.R.L. undertakes to communicate and disseminate its Model in such a way as to ensure effective knowledge by all Recipients.

2.3.1 The dissemination of the Model and the training activity

The Company, having completed the formal adoption of the Model, organizes activities aimed at disseminating its contents to the entire company population, thanks to special training programs and awareness of its rules of conduct as well as the procedures established.

The Company promotes, in fact, the knowledge of the Model, the Code of Ethics and all the procedures that integrate and implement the Model. All its representatives and employees are required to know this regulatory system, to observe it and to contribute to its implementation.

With its dissemination and training initiatives WILO ITALIA S.R.L. reiterates that respect for the Model is essential for every company component, without distinction of any kind.

Every employee, every top management, as well as every person acting on behalf of WILO ITALIA S.R.L. it will have to make its own its regulatory and ethical system.

With the dissemination of the Model, the Company intends to reiterate that illicit behavior or in any case contrary to ethical principles is not tolerated, even if apparently profitable for it, and indeed is the subject of the appropriate disciplinary system.

WILO ITALIA S.R.L. believes, finally, that constant monitoring of sensitive activities will allow it to prevent the commission of offenses and also, if necessary, to counter them by intervening promptly.

More specifically, the Company promotes the knowledge of the Model and the rapid dissemination of its updates. Communication and training initiatives include:

- the insertion of the Model in the company *server*, so that it is easily accessible by all Recipients;
- the distribution of the Model to new hires at the time of insertion in the company;
- the periodic carrying out of training and refresher courses.

Participation in training initiatives is mandatory and is monitored and planned, even for new hires, by the Head of the Prevention and Protection Service and the Head of the *Compliance* Function, with the support of the Supervisory Body.

The Company promotes knowledge and compliance with the Model also among external collaborators and commercial interlocutors, for example through the information made available on its website.

The Company inserts in the contracts with its collaborators special clauses aimed at inviting to view and respect its system of values, and also to provide – in cases of non-compliance – the termination of the negotiation relationship.

Finally, through the publication of the extract of the Model on its website, the Company intended to communicate immediately to all the public its commitment to respect the purposes underlying Legislative Decree 231/2001.

3. The Supervisory Body

3.1 Structure and requirements of the Supervisory Body

The Decree (Article 6, letter. b) places as the responsibility of the entity, with respect to crimes attributable to the top management, the creation of an internal body, endowed with autonomous powers of initiative and control, with the task of supervising the functioning and observance of the Model, as well as taking care of its updating.

This function is carried out by the Supervisory Body (SVO) of WILO ITALIA S.R.L. , whose members have been identified by the Administrative Body in compliance with the following requirements:

- independence: requires that the members of the SVO are not directly involved in the management and operative activities of WILO ITALIA S.R.L., which are the subject of its control activity. It is necessary, therefore, that the members of the STO are not in relations of hierarchical dependence with the top management and the *management* of WILO ITALIA S.R.L., without prejudice to the duty to *report* to the Administrative Body (of which paragraph 3.4 will be mentioned below);
- autonomy: it means that the OdV:
 - has effective powers of inspection and supervision;
 - has its own internal regulations, which govern the procedures for carrying out the tasks assigned to it in compliance with the Decree, this Model and the indications contained in the act of appointment;
- professionalism: requires that the members have specific skills in relation to the control action (legal, technical-accounting, strategic, etc.);
- good repute: it is important that the members of the SVO have reputational requirements, as well as the absence of causes of ineligibility and forfeiture.
- impartiality: implies that the members of the SVO must act for the sole purpose of verifying and, where appropriate, implementing the application of this Model;
- continuity of action: it makes it necessary that the control activity of the OdV is constant over time and in continuous collaboration, exchange and

dialogue with the corporate bodies, and not occasional and reduced to simple *reporting* activities.

In order to ensure the greatest degree of autonomy, independence and impartiality, the SVO must have sufficient organizational and financial means necessary for the performance of its functions. For this reason, the Administrative Authority must allocate a *budget* that constitutes the adequate allocation of financial resources of the Supervisory Body.

3.2 Appointment, replacement, revocation and forfeiture

The Supervisory Body is appointed by resolution of the Administrative Body of WILO ITALIA S.R.L. and remains in office for the time established in the act of appointment.

The appointment as a member of the Supervisory Body is conditioned not only by the presence of the requirements referred to in par. 3.1, but also by the absence of the following causes of ineligibility:

1. relations of kinship, consignment or affinity within the iv degree with the members of the Administrative Body and of the Shareholders' Meeting;
2. conflicts of interest – even if only potentially – with WILO ITALIA S.R.L.;
3. sentence of conviction even if not final, or sentence of application of the penalty at the request of the parties, in Italy or abroad:
 - a. for crimes listed in Legislative Decree 231/2001;
 - b. which applies the interdiction, even temporary, from public offices (art. 28 c.p.), from a profession or an art (art. 30 c.p.) or from the management offices of legal persons and companies (art. 32-*bis* c.p.), the inability to contract with the public administration (art. 32-*ter* c.p.), the termination of the employment or employment relationship (art. 32-*quinqies* c.p.);
4. application of personal precautionary measures (articles 272 ss c.p.p.);
5. prohibition or incapacitation;

6. being subjected or having been subjected to prevention measures provided for by Legislative Decree no. 159 of 6 September 2011 (Anti-Mafia Code);
7. application of administrative sanctions provided for by Legislative Decree no. 58 of 24 February 1998 (Consolidated Law on Finance).

After the formal acceptance of the assignment by each member, the relative appointment is communicated to all the subjects of the Company, with an internal communication.

The rules described above also apply in case of replacement of a member of the SVO.

The revocation of the office of member the OdV takes place by resolution of the Administrative Body for the following reasons:

1. loss of requirements;
2. presence of a cause of ineligibility;
3. assignment of managerial assignment or any other function or responsibility within WILO ITALIA S.R.L., which is incompatible with the requirements of autonomy and independence;
4. inability or impossibility to exercise the task;
5. serious and repeated failures or negligence in the performance of the assignment;
6. the "omitted or insufficient supervision" by the SO, in accordance with the provisions of art. 6, paragraph 1, letter d) of the Decree;
7. any other circumstance deemed by the Administrative Body, provided that sufficient and appropriate reasons are given.

Each member of the SVO may withdraw from the assignment at any time and for any reason, provided that he communicates it to the Administrative Body and, for information, to the SVO itself.

The Administrative Body, in case of withdrawal or revocation from office of a member of the SVO, shall replace him without delay.

The SVO lapses on the date established in the act of appointment, but continues to perform its functions *ad interim* until the intervention of a new appointment by the Administrative Body.

3.3 Functions and powers

The OdV is entrusted with the task of supervising in order to:

- functioning of the Model, in relation to its suitability to prevent the commission of crimes-assumption and to bring out any illegal behavior;
- compliance with the Model, in particular with the provisions contained therein and with the regulations, protocols and procedures referred to;
- opportunity to update or integrate the Model, when the legislator introduces new types of crime or WILO ITALIA S.R.L. change its organizational structure.

These objectives are pursued, in compliance with the law and the rights of workers and interested parties, through the completion of periodic checks on:

- "mapping" of areas at risk of crime, in order to ensure their adaptation to changes in the company's activity and structure;
- effective implementation of the procedures, protocols and controls provided for by the Model and their effectiveness;
- certain specific operations or acts carried out, in particular, in the context of sensitive activities;
- timely adoption of corrective actions and interventions to solve the critical issues detected during *the gap analysis*, or by the SO itself;
- alleged infringements of the Model or the Code of Reference;
- implementation of sanctioning mechanisms.

The control activity of the SVO is flanked by the traditional supervision of administrative bodies (so-called "line control"), so as to implement the "culture of prevention and safety" also in the context of crime risk.

To this end, the PUBLIC SERVICE, except for any prohibitions imposed by law, has free access to all the documents of the Company, without the need for any prior consent, as well as to all the functions and the Organs of WILO ITALIA S.R.L. , in order to obtain information and data necessary for the performance of the tasks provided for by the Decree. In case of refusal, the SVO, if it does not agree with the opposite motivation, draws up a report that it transmits to the Administrative Body.

The PUBLIC, in any case, guarantees the confidentiality of the information to which it has access and of which it comes into possession and refrains from seeking confidential information for purposes unrelated to those established by the Decree, by this Model and by the regulations governing its operation. In any case, any information received is treated in accordance with current *legislation* on privacy.

The SVO also carries out propulsive and assessment activities such as:

- information and training initiatives on the contents of the Model and the Code of Reference;
- proposals for modification of the Reference Model which, with a view to its constant updating, may be adopted by the competent administrative authority;

Finally, if violations emerge, it is the task of the Supervisory Body, depending on the cases and circumstances:

- urge the managers of the individual organizational units to respect the Model of Conduct;
- indicate directly what corrections and modifications should be made to ordinary business practices;
- report the most serious cases of non-implementation of the Model to the managers and control officers within the individual functions.

For these purposes, as anticipated, the Supervisory Body must have free access to the functions and all company documentation, as well as the possibility of acquiring relevant data and information from the responsible parties.

The Administrative Body, in any case, has the right to convene the SVO at any time and, likewise, the latter may request the convening of the Administrative Body for urgent reasons.

3.4 Reporting of the Supervisory Body

The Supervisory Body has the obligation to report on the implementation of the Model, the need for its modification or integration and the emergence of any critical aspects and violations of the same.

In detail, the PUBLIC MUST communicate to the competent administrative Organ:

- at the beginning of the activity and, subsequently, at the beginning of each exercise, the plan of the activities he intends to carry out to fulfill the tasks assigned to him;
- annually, a summary of the activity carried out in the previous year and the state of implementation of the Model;
- periodically, the progress of the defined program and any changes made to the plan, providing specific motivation;
- immediately, the occurrence of extraordinary situations and particularly urgent reports received. In particular, when it comes to behaviors or actions not in line with the rules contained in the Model, in the internal regulations, in the procedure and protocols, in the Code of Conduct and any other unlawful conduct.

The SVO is also required to communicate the results of its investigations to the heads of functions and processes, in the event that aspects that can be improved emerge. On the other hand, the latter must draw up and deliver to the SVO a plan of the actions they intend to take in accordance with the indications of the SVO with identification of the relative timing.

3.5 Information flows and reports to the Supervisory Body

Art. 6, paragraph 2 letter d) of the Decree establishes that the Organization, Management and Control Model must provide for information obligations towards the body responsible for supervising the functioning and observance of the models.

In particular, this Model provides that the SVO is the recipient of useful and necessary information for the performance of its supervisory and control activities and reports of violations of the Model or other illegal conduct.

The following general requirements apply:

- communications to the OdV must be made in writing and transmitted through the following channels: e-mail, paper letter and online procedure;
- the reporting takes place by the heads of the functions according to their area of competence;
- each employee can report to his or her immediate hierarchical superior or to the Supervisory Body, using the channels in charge of this;
- consultants and external collaborators, with regard to the activity carried out for WILO ITALIA S.R.L., make the reports directly to the SVO;
- the influx of reports, including those of an unofficial nature, must be channeled to the Supervisory Body, which will evaluate them by listening to the author of the report or the person responsible for the alleged violation;
- any information and report received is kept by the PUBLIC on computer or paper.

In addition to reports relating to violations of the Model, the following information must be sent to the Supervisory Body:

- criminal and disciplinary proceedings concerning conduct that constitutes violations of the Model, giving evidence of the relative outcomes (including archiving measures) and any sanctions imposed;

- inspections or control initiatives carried out by any public and supervisory authority;
- significant changes in the *Governance* Model, organization and Bodies of the Company;
- updates of the system of powers and proxies.

The aforementioned "information flows" are activated either on a periodic basis, where cyclically the main functions report to the SB in order to the sensitive areas of their competence, or ad hoc where the circumstances of the concrete case make it necessary to report to the control body.

As for the effectiveness of the flows, it is necessary to precisely identify the figure of the person responsible for the trial at risk of crime, which acts as a "communication channel" with the SO.

The Supervisory Body also has the task of coordinating with the other functions for an exchange of information concerning the activities carried out in sensitive areas.

The SVO, before activating its control powers, evaluates the quality of the information received by referring to the following parameters:

- relevance and relevance to the activities carried out by WILO ITALIA S.R.L.;
- timeliness;
- updating;
- accuracy.

The SVO, having received the report, must justify in writing any refusal to carry out an internal investigation.

Subsequently, it undertakes any inspection actions, hearing – if it deems it – the author of the report or the person responsible for the alleged violation.

Any consequent measures are applied by the relevant functions involved in accordance with the provisions of the Disciplinary System.

3.6 Whistleblowing

The management of internal reports of any unlawful conduct relevant pursuant to Legislative Decree 231/2001, i.e. violations of the Organisational Model, related procedures and the Code of Ethics, is regulated by the dedicated operating procedure: Management of internal reports, so-called "whistleblowing". Reference is therefore made to it, specifying that this procedure must be considered, to all intents and purposes, an integral part of this Organisational Model.

3.7 Collection, storage and storage of information

Any information, reports, or *reports* provided for in the Model are stored by the Supervisory Body in a special computer and/or paper *database*.

The SVO defines with a specific internal arrangement policies and conditions of access to the *database*.

The data and information stored in the *database* are made available to parties external to the OdV, who can access them with the prior authorization of the same.

4. The Disciplinary System – features

4.1 General principles

The Organizational Model can be considered effectively implemented only if it provides for a disciplinary system suitable for sanctioning non-compliance with the measures indicated in it (Articles 6, paragraph 2, letter e), and 7, paragraph 4, letter .b).

The disciplinary system provides:

- the indication of the recipients;
- the sanctioning system, differently modulated according to the seriousness of the violation and the role of the author within society;
- the criteria for the balancing of the penalty;
- the procedure for the imposition of sanctions.

In the event that the censored behavior integrates the extremes of one of the pre-mises crimes indicated in the Decree, the application of disciplinary sanctions is independent of the outcome of any criminal proceedings.

Failure to comply with the Model entails different sanctions based on the role played by the subject, according to the criteria described below.

4.2 Measures against employees

The violation of the rules of conduct provided for by the Model, as well as by the Code of Conduct, by employees of WILO ITALIA S.R.L., constitutes a breach of the obligations deriving from the employment relationship, punishable at a disciplinary level (articles 2104, paragraph 2, and 2106 c.c.).

The assessment and imposition of disciplinary sanctions within WILO ITALIA S.R.L. takes place within the limits imposed by Law no. 300/1970 (so-called "Workers' Statute") and by collective bargaining in the sector.

Especially:

- a) the penalties comply with the principle of proportionality with respect to the infringement, the specification of which is entrusted, pursuant to art. 2106 c.c., to collective bargaining in the sector;
- b) the suspension from service and remuneration may not exceed three days;
- c) the right of defense is guaranteed to the worker who is accused of the charge.

The following are of disciplinary importance:

- failure to comply with the procedures and rules of conduct contained in the Model or referred to therein, including the requirements of the Code of Conduct;
- the alteration of the relevant documentation or any other type of obstacle to the exercise of the control and supervisory functions of the SVO;
- failure to inform the hierarchical superior or the OdV concerned about violations of the Model;
- the violation of the measures put in place to protect *whistleblowers*;
- the execution through *whistleblowing* channels, with intent or gross negligence, of unfounded reports.

For employees, the following penalties are envisaged (to be applied within the terms set out in the CCNL and any existing union agreements):

- a) verbal recall;
- b) written warning;
- c) fine;
- d) suspension from work and pay;
- e) dismissal with notice;
- f) dismissal without notice.

4.3 Measures against top management

The management relationship is characterized by its fiduciary nature. Respect by the top management of WILO ITALIA S.R.L. of what is provided for in the Model is considered an essential element of the employment relationship, also having to act as an example for subordinates.

The sanctions imposed on top management subjects are identified and applied in accordance with the provisions of the law and contracts referred to in the CCNL of reference.

Disciplinary offences deriving, *inter alia*, from:

- failure to comply with the procedures and rules of conduct contained in the Model or referred to therein, including the requirements of the Code of Conduct;
- the circumvention of the controls carried out by the SMO or in any case the obstacle to the exercise of its supervisory and control powers;
- the omitted monitoring of compliance with the Model by its subordinates and collaborators;
- the failure to inform the SO of the found violations of the Model;
- the violation of the measures put in place to protect *whistleblowers*;
- the execution through *whistleblowing* channels, with intent or gross negligence, of unfounded reports.

The following penalties are provided for managers (to be applied within the terms set out in the CCNL and any existing union agreements):

- a) verbal reminder by the Sole Director;
- b) written reminder by communication of the Sole Director;
- c) temporary suspension;
- d) dismissal.

4.4 Measures against Directors

Violations of the Modell by the Sole Director of WILO ITALIA S.R.L. they must be promptly communicated by the OdV to the Shareholders' Meeting.

The Shareholders' Meeting carries out the necessary investigations and, with the support of the SDO, assesses the infringement and takes the most appropriate measures against the infringer.

Disciplinary measures are taken by resolution adopted in the absence of the interested party.

The sanctions applicable to the Sole Director are:

- a) written warning;
- b) temporary suspension from office;
- c) the revocation of the office or proxies;

4.5 Measures against external parties: collaborators, agents, consultants

Any conduct carried out by external parties that is contrary to the guidelines indicated in the Model, including the provisions on ⁵*whistleblowing*, or that in any case involves the risk of commissioning a presupposed offense, may determine, in accordance with the provisions of the specific contractual clauses included in the letters of assignment or in the contracts, the termination of the contractual relationship.

⁵ By way of example: collaborators, suppliers, consultants