



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

RESOLUTION OF 5/11/2024

GENERAL SECTION

1. Criminal liability of Entities: regulatory overview

1.1. Scope of application

Legislative Decree No. 231 of 8 June 2001 (hereinafter referred to as “Legislative Decree 231/2001” or the “Decree”), implementing Delegated Law No. 300 of 29 September 2000, introduced into the Italian legal system the corporate liability for administrative offences dependent on crimes (Article 1, Legislative Decree 231/2001). This liability applies when the criminal offence is committed in the interest or to the advantage of the entity by individuals holding representative, administrative, managerial, or supervisory positions, or by individuals under their direction or supervision (see *infra* § 1.2).

This type of liability is attributed to the entity independently, meaning it coexists with the criminal liability of the natural person who committed the offence (Article 8, “Autonomy of the entity’s liability”). In other words, the same criminal act gives rise to two distinct liabilities (that of the perpetrator and that of the entity), which differ in terms of their regulation and consequences. This is evident as the entity’s liability also arises “even when the perpetrator of the offence has not been identified” (Article 8(a), pt. 1)¹.

Entities Subject to the Decree

The scope of application of the Decree includes entities with legal personality, companies, and associations even without legal personality (Article 1, paragraph 2). However, the State, territorial public entities, other non-economic public entities, and entities performing functions of constitutional relevance are expressly excluded (Article 1, co. 3).

Catalogue of Predicate Offences

The administrative liability of the entity does not arise in connection with any type of offence but only with those expressly provided for by the Decree.

The original scope of Legislative Decree 231/2001 was limited to the offences listed in Articles 24 and 25 (crimes against Public Administration). Subsequently, in part to implement various international conventions, the catalogue of predicate offences has been progressively expanded and now encompasses a wide range of criminal offences (Articles 24-25-*duodevicies*).

¹ 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).

Currently, the offences included in the list of predicate offences fall into the following categories:

- Offences committed in relations with Public Administration (Articles 24 and 25, as subsequently amended by Law No. 190 of November 6, 2012; Law No. 69 of May 27, 2015; Law No. 161 of October 17, 2017; Law No. 3 of January 9, 2019; Legislative Decree No. 75/2020; Law No. 137 of October 9, 2023; and, most recently, Law No. 112 of August 8, 2024);
- Crimes of falsification of currency, public credit instruments, revenue stamps, and identification instruments or signs (Article 25-bis introduced by Legislative Decree No. 350 of September 25, 2001, subsequently amended by Law No. 99 of July 23, 2009, and most recently by Legislative Decree No. 125 of June 21, 2016);
- Corporate crimes (Article 25-ter introduced by Legislative Decree No. 61 of April 11, 2002, subsequently supplemented with the offense of “private-to-private corruption” by Law No. 190 of November 6, 2012, and, most recently, amended by Law No. 69 of May 27, 2015, and Legislative Decree No. 38 of March 15, 2017);
- Crimes with terrorist aims or aimed at subverting the democratic order (Article 25-quater introduced by Law No. 7 of January 14, 2003);
- Practices of female genital mutilation (Article 25-quater¹ introduced by Law No. 7 of January 9, 2006);
- Crimes against individual personality (Article 25-quinquies introduced by Law No. 228 of August 11, 2003, subsequently amended by Law No. 199 of October 29, 2016);
- Market abuse offenses and administrative violations (Article 25-sexies introduced by Law No. 62 of April 18, 2005);
- Transnational crimes (introduced by Law No. 146 of March 16, 2006);
- Offenses of manslaughter and grievous or very grievous injuries committed in violation of workplace health and safety regulations (Article 25-septies introduced by Law No. 123 of August 3, 2007, and subsequently replaced by Legislative Decree No. 81 of April 9, 2008);
- Offenses of receiving stolen goods, money laundering, and use of money, goods, or utilities of illicit origin, as well as the offense of self-laundering (Article 25-ocies introduced by Legislative Decree No. 231 of November 21, 2007,

subsequently supplemented with the offense of “self-laundering” by Law No. 186 of December 15, 2014, and, most recently, amended by Legislative Decree No. 195 of November 8, 2021);

- Offenses involving payment instruments other than cash and fraudulent transfer of assets (Article 25-octies.1 introduced by Legislative Decree No. 184/2021 and amended by Law No. 137 of October 9, 2023);
- Computer crimes and unlawful data processing (Article 24-bis introduced by Law No. 48 of March 18, 2008, subsequently amended by Legislative Decree No. 7 of January 15, 2016, and, most recently, by Law No. 90 of June 28, 2024);
- Crimes against industry and commerce (Article 25-bis.1 introduced by Law No. 99 of July 23, 2009);
- Organized crime offenses (Article 24-ter introduced by Law No. 94 of July 15, 2009, and amended by Law No. 69 of May 27, 2015);
- Crimes related to copyright infringement (Article 25-novies introduced by Law No. 99 of July 23, 2009, amended by Law No. 93 of July 14, 2023);
- The offense of inducing individuals to refrain from or provide false statements to judicial authorities (Article 25-decies introduced by Law No. 116 of August 3, 2009, and subsequently amended by Legislative Decree No. 121 of July 7, 2011);
- Environmental crimes (Article 25-undecies introduced by Legislative Decree No. 121 of July 7, 2011, subsequently supplemented by Law No. 68 of May 22, 2015, amended by Legislative Decree No. 21 of March 1, 2018, and by Law No. 137 of October 9, 2023);
- The offense of employing third-country nationals without proper residence permits (Article 25-duodecies introduced by Legislative Decree No. 109 of July 16, 2012, amended by Law No. 161 of October 17, 2017, and, most recently, by Decree-Law No. 20/2023);
- Offenses of racism and xenophobia (Article 25-terdecies introduced by Law No. 167 of November 20, 2017, and amended by Legislative Decree No. 21 of March 1, 2018);
- Offenses of fraud in sports competitions, illegal gaming or betting activities, and unauthorized gambling machines (Article 25-quaterdecies introduced by Law No. 39 of May 3, 2019);

- Tax offenses (Article 25-quinquiesdecies of Legislative Decree No. 231/2001, introduced by Decree-Law No. 124/2019, as amended during its conversion, and most recently amended by Legislative Decree No. 75/2020);
- Smuggling offenses under Presidential Decree No. 43/1973 (Article 25-sexiesdecies introduced by Legislative Decree No. 75 of July 14, 2020);
- Crimes against cultural heritage (Article 25-septiesdecies introduced by Law No. 22 of March 9, 2022, and amended by Law No. 6 of January 22, 2024);
- Money laundering of cultural assets and devastation and looting of cultural and landscape assets (Article 25-duodevicies introduced by Law No. 22 of March 9, 2022).
- Further types of crime may, however, in the future be included by the legislator in the discipline dictated by Legislative Decree 231/2001.

Additional categories of offenses may, however, be included in the future by the legislator within the framework of Legislative Decree No. 231/2001.

1.2. Criteria for the attribution of responsibility

Regarding the criteria for attributing criminal liability to entities, first and foremost, it is required that the predicate offence (see supra § 1.1) has been committed by:

- a) “people holding representative, administrative, or managerial roles within the entity or one of its organizational units with financial and functional autonomy, as well as persons who exercise, even de facto, management and control” (Article 5, co. 1, lett. a) (so-called **senior managers or top-level subjects**);
- b) b) “people subject to the direction or supervision of one of the individuals mentioned [above]” (Article 5, co. 1, lett. b) (so-called **subordinate subjects**).

However, as explicitly stated, **the entity is not held liable if the individual acted “in their exclusive interest or in the exclusive interest of third parties”** (Article 5, co. 2).

Second, in addition to the “qualified relationship” that must exist between the perpetrator of the crime and the entity as outlined above, the offence must have been committed in the **interest or to the advantage of the collective entity**.

Interest is a subjective criterion (to be assessed ex ante) and consists of “the perpetrator’s intent, as a natural person, to benefit the entity through the commission of the offence, regardless of whether the interest is ultimately achieved”. Advantage, on the other hand, is an objective criterion (to be assessed ex post), which corresponds to “the actual enjoyment by the entity of a concrete benefit resulting from the commission of the offence” (Cass. Pen., Section IV, 23 May 2018, n. 38363).

Third, for liability to be attributed to the entity under Legislative Decree 231/2001, there must be what is referred to as **“organizational fault,”** which encompasses the following scenarios (see infra § 1.4):

- a) failure by the entity to adopt or implement an organizational model capable of preventing the commission of offences of the type that occurred;
- b) failure to entrust autonomous powers of initiative and control to an appropriate body within the entity and non-fraudulent circumvention of the adopted prevention model by the senior manager.

The Decree imposes differing evidentiary burdens on the entity depending on whether the predicate offence was committed by a senior manager or by a subordinate subject.

In particular, in the first scenario, the burden of proving organizational fault rests on the entity. Specifically, pursuant to Article 6, co. 1, **“the entity is not held liable if it can prove”**:

- that it had, before the commission of the act, adopted effective and suitable organizational and management models to prevent the commission of offences of the same type (letter a);
- that it entrusted a body within the entity, endowed with autonomous powers of initiative and control, with the task of supervising the functioning, observance, and updating of the models (letter b);
- and that, despite these measures, the perpetrator fraudulently circumvented the organizational and management models (letter c);
- and that there was no omitted or insufficient oversight by the body tasked with supervision (letter d).

Conversely, if the offence was committed by a subordinate subject, the burden of proving the entity's failure to adopt or implement the Model falls on the public prosecutor² (Article 7).

1.3 Sanctioning system

The sanctions imposed on entities include (Article 9):

- a) **financial penalties** (Articles 10–12);
- b) **disqualifying sanctions** (Articles 13–17);
- c) **publication of the conviction** (Article 18);
- d) **confiscation** (Article 19).

Disqualifying Sanctions may also be applied as precautionary measures, albeit never simultaneously, at the request of the public prosecutor to the judge, provided that:

- a) there is serious evidence regarding the entity's liability;
- b) there are well-founded and specific elements indicating a concrete risk of the commission of similar offences to the one being prosecuted.

When ordering precautionary measures, the judge considers the specific suitability of each measure in relation to the nature and degree of precautionary needs to be satisfied in the specific case, as well as the necessary proportionality between the gravity of the act and the sanction likely to be definitively applied to the entity.

1.4 The Organization, Management and Control Model

As previously noted, the Organizational, Management, and Control Model, as outlined in Legislative Decree 231/2001, serves a dual function. It is both exemptive, as it excludes, under certain conditions and circumstances, the liability of the entity, and remedial, as its adoption or adjustment following the commission of the offence can lead to a reduction in financial penalties and the inapplicability of disqualifying sanctions.

² In the absence of a suitable organizational model, the attribution of responsibility to the entity still requires proof of non-compliance with the obligations of management and supervision.

1.4.1 The contents of the Model

Given the importance of the Model, the Decree outlines its “framework,” explicitly stating that it must (Article 6, paragraph 2):

- identify areas at risk for the commission of offences covered by the Decree;
- include specific protocols to plan and implement the entity’s decisions in relation to the offences to be prevented;
- establish resource management methods capable of preventing the commission of offences;
- impose reporting obligations to the body responsible for monitoring the functioning and observance of the Model;
- introduce an internal disciplinary system to sanction non-compliance with the measures set out in the Model.

2. The adoption of the Model

2.1. WILO ITALIA S.R.L.

The Company

WILO ITALIA S.R.L. (hereinafter referred to, for the sake of brevity, as “WILO ITALIA” or “the Company”) is a leading enterprise in high-tech pump systems and pumping solutions, forming part of the WILO SE Group, established in 1872 as Kupfer-und Messing Waren Fabrik in Dortmund. Strongly focused on research and development of new products and water pumping solutions, it is internationally synonymous with technology, energy efficiency, and reliability. WILO ITALIA S.R.L. is one of the most prominent manufacturers of pumps and pumping systems for Building Services, Water Management, and Industry.

WILO ITALIA S.R.L. is part of the WILO Group, which operates in over 70 countries and is one of the world’s leading corporate groups in the sector. To pursue its entrepreneurial and social mission in line with the guidelines set forth by the parent company, WILO ITALIA S.R.L. adopts organizational and corporate governance solutions that ensure sound and prudent management.

Headquarters and Branches

WILO ITALIA S.R.L. has its registered office in Segrate (MI), Via Novegro, 1a, 20090. Following the recent merger by incorporation of WILO SYSTEMS ITALIA S.R.L. into WILO ITALIA S.R.L., the company also operates from its business premises located at Via Maestri del Lavoro, 2A, 70100 Bari (BA).

The organizational 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 Company operates within a system of internal control that is consistently applied across the various organizational levels (Wilo Italia S.R.L., Wilo SE, and the Wilo Group). This system aims to ensure compliance with laws and regulations while providing accurate reporting and adequate oversight of all Group activities.

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 adopted its own Organizational, Management, and Control Model (hereinafter the "Model"), of which this document constitutes the General Section.

The Model of WILO ITALIA S.R.L. is a structured and systematic framework of conduct guidelines, procedures, information flows, and control activities aimed at preventing predicate offences as defined by Legislative Decree 231/2001. All sensitive activities must therefore be carried out in compliance with applicable laws, Company procedures, rules, and policies, as well as all provisions set forth in this Model or referenced herein.

The Model is aligned with current legislation, case law, and best practices.

In compliance with the Decree, WILO ITALIA S.R.L. has entrusted a Supervisory Body (SB), endowed with powers of initiative and control, with the task of assessing the adequacy of the Model, ensuring its effective implementation, and overseeing its updating (as further detailed in § 3).

The Decree explicitly assigns the adoption and effective implementation of the organizational model to the executive body (Article 6, comma 1, lett. a).

Amendments, updates, and integrations to this Model fall within the competence of the administrative body, upon consultation with the Supervisory Body.

2.2 Objectives and Core Principles of the Model

This Model represents a structured and systematic framework of conduct guidelines, procedures, information flows, and control activities aimed at preventing and deterring the commission of various predicate offences contemplated by Legislative Decree 231/2001.

The core principles of the Model are transparency, formalization, and segregation of duties with respect to the allocation of responsibilities and operational activities.

The preparation of this document followed a thorough analysis of the Company's current status, examining existing procedures and control systems that are already widely operational and suitable as crime prevention measures and for monitoring processes involved in sensitive activities.

A detailed risk assessment was conducted to identify potential crime risks associated with the Company's activities, examining hypothetical methods of commission through an analysis of the Company's organizational and business structure, its current procedures and mechanisms, and through direct interviews with numerous Company representatives. This allowed for the identification and resolution of existing gaps, informed by discussions with the relevant functions to determine the most efficient control and risk prevention measures. WILO ITALIA S.R.L., with the support of the Supervisory Body, continuously monitors the alignment of the Model with both the Company's operational reality and the applicable regulatory framework. The Model's implementation is promptly adjusted whenever operational realities or legal changes reveal inefficiencies.

Proposals for amendments may also be submitted by the Supervisory Body, based on reports received from the heads of the various Company areas.

The Supervisory Body also receives reports of unlawful conduct or violations of the Model through designated *whistleblowing* channels.

2.2.1 Structure of the Model

The Model is divided into the following sections:

- **General Section**, which contains the key points of the Model, including:
 - the definition of institutions, concepts, and principles of general application;
 - the description of the structure and activities carried out by the Company;
 - the identification of the Recipients of the Model and the methods of dissemination of its contents;
 - the establishment, composition, functioning, and objectives of the Supervisory Body;
 - the framework of the disciplinary system;
- **Special Section**, which contains the sensitive activities related to the various types of crimes outlined in the Decree and considered to be particularly relevant based on

the results of the risk assessment conducted on the main business processes, especially in light of the Company's business activities.

The following are considered integral parts of the Model:

- the documents attached to this Model and referenced throughout the text (such as procedures, management protocols, internal regulations);
- the Code of Ethics of WILO ITALIA S.R.L., which aims to express the principles and ethical values that the Company recognizes as its own and requires all recipients to observe. For all matters not specifically addressed by this Model and its attachments, the provisions of the Code of Ethics apply.

2.3 The Recipients of the Model

The rules contained in the Model apply to those who, even in fact, perform management, administration, direction, or control functions within the Company, including employees, collaborators, and those who, while not part of the Company, operate on its behalf or are otherwise connected to it.

The individuals to whom the Model applies are required to comply with all its provisions, in fulfillment of the duties of loyalty, fairness, and diligence arising from the legal relationships established with the Company (hereinafter, the "Recipients").

WILO ITALIA S.R.L. condemns any conduct contrary to the law, its Models, and the Code of Ethics, even if such conduct is carried out in the interest of the Company or with the intention of bringing a benefit to it. Therefore, WILO ITALIA S.R.L. is committed to communicating and disseminating its Model in such a way as to ensure that all Recipients are effectively aware of it.

2.3.1 The dissemination of the Model and the training activity

Following the formal adoption of the Model, the Company organizes activities aimed at disseminating its contents throughout the entire workforce, through appropriate training and awareness programs regarding its rules of conduct and the established procedures.

The Company promotes 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 be familiar with this regulatory system, to observe it, and to contribute to its implementation.

Through its dissemination and training initiatives, WILO ITALIA S.R.L. reaffirms that compliance with the Model is essential for every company member, without any exceptions. Each employee, every senior executive, and anyone acting on behalf of WILO ITALIA S.R.L. must adopt this regulatory and ethical system as their own.

With the dissemination of the Model, the Company aims to reaffirm that unlawful conduct, or conduct contrary to ethical principles, is not tolerated, even if apparently beneficial to the Company, and will, in fact, be subject to the disciplinary system.

Finally, WILO ITALIA S.R.L. believes that constant monitoring of sensitive activities will help prevent the commission of offenses and, if necessary, counteract them by intervening promptly.

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

- the inclusion of the Model on the company server, making it easily accessible to all Recipients;
- the distribution of the Model to new hires upon joining the company;
- the periodic conducting of training and updating courses.

Participation in training initiatives is mandatory and is monitored and planned, including for new hires, by the RSPP, with the support of the Supervisory Body.

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

The Company includes specific clauses in contracts with its collaborators requiring them to review and comply with its value system, and to stipulate – in case of non-compliance – the termination of the contractual relationship.

Finally, through the publication of an excerpt of the Model on its website, the Company aims to immediately communicate to the public its commitment to comply with the objectives underlying Legislative Decree No. 231/2001.

3. The Supervisory Body

3.1 Structure and requirements of the Supervisory Body

The Decree (Article 6, letter b) provides that, as an exemption from liability for crimes attributable to top-level individuals, the entity must establish an internal body endowed with autonomous powers of initiative and control. This body is tasked with overseeing the functioning and compliance with the Model, as well as ensuring its continuous updating.

This role is performed by the Supervisory Body (SB) of WILO ITALIA S.R.L., whose members are appointed by the administrative body in compliance with the following requirements:

- **Independence:** members of the SB must not be directly involved in the managerial or operational activities of WILO ITALIA S.R.L., which are the object of their oversight. Therefore, members must not be subordinate to top-level individuals or the management of WILO ITALIA S.R.L., except for their reporting duty to the administrative body (see *infra* § 3.4).
- **Autonomy:** this entails that the SB:
 - has effective powers of inspection and oversight;
 - adopts its own internal regulations governing the performance of its assigned duties in compliance with the Decree, this Model, and the instructions contained in the appointment resolution.
- **Professionalism:** members must possess specific expertise relevant to the control activities (legal, technical-accounting, strategic, etc.).
- **Integrity:** members must meet reputational requirements and not be subject to causes of ineligibility or disqualification.
- **Impartiality:** members of the SB must act solely to verify and, if necessary, implement the application of this Model.
- **Continuity of action:** the SB's oversight must be constant over time and involve ongoing collaboration, exchange, and dialogue with the corporate bodies, rather than being sporadic or limited to mere reporting.

To ensure the highest degree of autonomy, independence, and impartiality, the SB must have sufficient organizational and financial resources necessary for the performance of its functions. The administrative body must allocate a budget that provides the Supervisory Body with adequate financial resources.

3.2 Appointment, replacement, revocation and forfeiture

The Supervisory Body is appointed by a resolution of the administrative body of WILO ITALIA S.R.L. and serves for the period specified in the appointment resolution.

The appointment as a member of the Supervisory Body is contingent upon meeting the requirements set forth in § 3.1 and the absence of the following grounds for ineligibility:

1. relationships of kinship, marriage, or affinity up to the fourth degree with members of the administrative body and the shareholders' meeting;
2. conflicts of interest—actual or potential—with WILO ITALIA S.R.L.;
3. convictions, including non-final judgments or plea agreements, in Italy or abroad:
 - a) for crimes listed under Legislative Decree 231/2001;
 - b) resulting in disqualification, even temporary, from public offices (Article 28 of the Italian Criminal Code), professions or arts (Article 30 of the Criminal Code), executive positions in legal entities and enterprises (Article 32-bis of the Criminal Code), or the inability to contract with public administrations (Article 32-ter of the Criminal Code);
4. application of personal precautionary measures (Articles 272 et seq. of the Code of Criminal Procedure).
5. disqualification or legal incapacity;
6. being subject to or having been subject to preventive measures under Legislative Decree No. 159 of 6 September 2011 (Anti-Mafia Code);
7. application of administrative sanctions under Legislative Decree No. 58 of 24 February 1998 (Consolidated Finance Act).

Upon formal acceptance of the role by each member, the appointment is communicated to all Company personnel via an internal notice.

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

Revocation of a member's appointment is carried out by a resolution of the administrative body for the following reasons:

1. Loss of the required qualifications.
2. Emergence of a cause for ineligibility.

3. Assignment of a managerial role or other function within WILO ITALIA S.R.L. that is incompatible with the requirements of autonomy and independence.
4. Subsequent inability or incapacity to perform the role.
5. Serious and repeated non-fulfillment or negligence in carrying out the role.
6. “Omission or insufficient oversight” by the SB, as outlined in Article 6, paragraph 1, letter d) of the Decree.
7. Any other circumstance deemed sufficient by the administrative body, provided adequate justification is given.

Each member of the SB may resign from the role at any time and for any reason, provided timely notification is given to the administrative body and, for information, to the SB itself.

In the event of resignation or revocation of a member of the SB, the administrative body promptly appoints a replacement.

The SB ceases its functions on the date specified in the appointment resolution but continues to perform its duties *ad interim* until a new appointment is made by the administrative body.

3.3 Functions and powers

The SB is tasked with overseeing the following:

- **Functioning of the Model**, in relation to its adequacy in preventing predicate offences and detecting any unlawful conduct.
- **Compliance with the Model**, particularly the provisions contained therein and the referenced regulations, protocols, and procedures.
- **Need for updates or integration of the Model**, when the legislator introduces new categories of offences or WILO ITALIA S.R.L. undergoes changes to its organizational structure.

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

- The “mapping” of areas at risk of crime, ensuring their alignment with changes in business activities and organizational structure.

- Effective implementation of the procedures, protocols, and controls outlined in the Model, and their efficiency.
- Specific operations or actions undertaken, particularly in sensitive activities.
- Timely adoption of corrective measures to address issues identified during gap analyses or by the SB itself.
- Alleged violations of laws, the Model, or the Code of Ethics.
- Implementation of sanctioning mechanisms.

The SB's control activities complement traditional oversight by administrative bodies, thereby promoting a "culture of prevention and safety" in managing crime risks.

To this end, the SB has unrestricted access to all Company documentation and functions without prior consent, unless prohibited by law, to gather the information and data necessary to fulfill its duties under the Decree. In case of denial of access, the SB, if it disagrees with the justification provided, submits a report to the administrative body.

The SB ensures the confidentiality of the information it accesses and refrains from seeking information unrelated to its responsibilities under the Decree, this Model, and the internal regulations governing its operation. All information is processed in compliance with applicable privacy regulations.

The SB also undertakes promotional and verification activities, including:

- Information and training initiatives on the content of the Model and the Code of Ethics.
- Proposals for amendments to the Model to ensure its constant updating, which may be adopted by the competent administrative body.

Finally, in cases of violations, the SB is responsible for:

- Urging managers of organizational units to comply with the Model.
- Directly indicating the corrections and modifications needed in ordinary practices.
- Report the most serious cases of non-implementation of the Model to the responsible parties and the control personnel within the individual functions.

To fulfill its duties, as noted, the SB must have unrestricted access to Company functions and documentation, as well as the ability to collect relevant data and information from responsible parties.

The administrative body may summon the SB at any time, and the SB may likewise request an urgent meeting with the administrative body.

3.4 *Reporting of the Supervisory Body*

The Supervisory Body is required to report on the implementation of the Model, the need for its modification or integration, and any critical issues or violations identified.

Specifically, the SB must communicate to the competent administrative body:

- At the start of its activities, and subsequently at the beginning of each fiscal year, the activity plan it intends to carry out to fulfill its assigned tasks;
- Annually, a summary of the activities carried out during the previous year and the status of the Model's implementation;
- Periodically, the progress of the defined program and any changes made to the plan, providing specific justifications;
- Immediately, in the event of extraordinary situations and urgent reports. In particular, this applies to behaviors or actions not aligned with the rules contained in the Model, internal regulations, procedures, protocols, the Code of Ethics, or any other unlawful conduct.

Additionally, the SB must communicate the results of its assessments to the heads of functions and processes whenever areas for improvement are identified. Conversely, these individuals must develop and deliver to the SB an action plan specifying the measures they intend to implement in accordance with the SB recommendations, including timelines.

3.5 *Information flows and reports to the Supervisory Body*

Article 6, co. 2, lett. d of the Decree mandates that the Organizational, Management, and Control Model include reporting obligations to the body responsible for overseeing the Model's functioning and compliance.

This Model stipulates that the SB must receive both useful and necessary information for its monitoring and control activities, as well as reports of violations of the Model or other unlawful conduct.

The following general provisions apply:

- Communications to the SB must be made in writing and transmitted through the following channels: email, postal mail, or online procedures;
- Reports must be submitted by function heads within their respective areas of competence;
- Employees may submit reports to their direct hierarchical superior or to the SB using the designated channels;
- Consultants and external collaborators, concerning activities performed for WILO ITALIA S.R.L., must report directly to the SB;
- The flow of reports, including unofficial ones, must be directed to the SB, which will evaluate them by hearing from the reporting individual or the person responsible for the alleged violation;
- All information and reports received must be stored by the SB in electronic or paper format.

In addition to reports of violations of the Model, the Supervisory Body must also be informed of:

- Criminal and disciplinary proceedings involving conduct that constitutes violations of the Model, along with their outcomes (including dismissal orders) and any penalties imposed;
- Inspections or monitoring activities conducted by any public authority;
- Significant changes to the Company's governance model, organization, and corporate bodies;
- Updates to the system of powers and delegations;
- Findings from Internal Audit and compliance audits.

The aforementioned "information flows" are activated either on a periodic basis, where the main functions periodically report to the Supervisory Body regarding the sensitive areas within their competence, or on an ad hoc basis, when the circumstances of the specific case make reporting to the control body necessary.

To ensure the effectiveness of these flows, the responsible individual for each crime risk process must be clearly identified to serve as a “communication channel” with the SB.

The Supervisory Body must also coordinate with other functions to exchange information on activities conducted in sensitive areas.

Before initiating its control powers, the SB evaluates the quality of the information received based on the following criteria:

- **Relevance and pertinence** to the activities carried out by WILO ITALIA S.R.L.;
- **Timeliness**;
- **Currency**;
- **Accuracy**.

If the SB decides not to conduct an internal investigation, it must provide written justification.

It may subsequently initiate inspections and, if deemed necessary, interview the reporting individual or the person responsible for the alleged violation.

Any subsequent 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 potentially unlawful conduct relevant under Legislative Decree 231/2001, or violations of the organizational Model, related procedures, or the Code of Ethics, is governed by a dedicated operational procedure titled “Management of Internal Reports” (so-called whistleblowing). This procedure is fully incorporated into the organizational Model.

3.7 Collection, storage and storage of information

All information, reports, or documents required by the Model are stored by the Supervisory Body in a dedicated electronic and/or paper database.

The SB establishes, through specific internal provisions, the criteria and conditions for accessing the database.

The data and information stored in the database are made available to external parties only upon authorization by the SB.

4. The Disciplinary System – features

4.1 General principles

The organizational model can only be considered effectively implemented if it includes a disciplinary system capable of sanctioning non-compliance with the measures it outlines (Articles 6, paragraph 2(e), and 7, paragraph 4(b)).

The disciplinary system provides for:

- identification of the individuals to whom it applies;
- sanctions, calibrated based on the severity of the violation and the role of the perpetrator within the company;
- criteria for determining sanctions;
- procedures for imposing sanctions.

If the behavior in question constitutes one of the predicate offences under the Decree, the application of disciplinary sanctions is independent of the outcome of any criminal proceedings.

Non-compliance with the Model entails different sanctions depending on the role of the individual, as described below.

4.2 Measures against employees

Violations of the behavioral rules set out in the Model, as well as the Code of Ethics, by employees of WILO ITALIA S.R.L., constitute a breach of the obligations arising from the employment relationship and are subject to disciplinary action (Articles 2104, co. 2, and 2106 of the Italian Civil Code).

The determination and imposition of disciplinary sanctions within WILO ITALIA S.R.L. must comply with the limitations imposed by Law No. 300/1970 (the “Workers’ Statute”) and sectoral collective bargaining agreements.

Specifically:

- a) Sanctions must comply with the principle of proportionality relative to the infraction, as specified under Article 2106 of the Civil Code and the applicable collective bargaining agreement;
- b) Suspension from work and pay may not exceed three days;
- c) The employee has the right to defend themselves against any allegations.

Disciplinary relevance is attributed to:

- failure to comply with the procedures and behavioral rules outlined in the Model, including the provisions of the Code of Ethics;
- alteration of relevant documentation or any other action that obstructs the oversight and monitoring functions of the OdV;
- failure to report violations of the Model to the immediate supervisor or the OdV;
- violation of measures protecting whistleblowers;
- submission of knowingly false or grossly negligent whistleblowing reports.

For employees, the following sanctions are provided (to be applied under the terms of the collective bargaining agreement and any existing union agreements):

- a) Verbal warning;
- b) Written warning;
- c) Fine;
- d) Suspension from work and pay;
- e) Dismissal with notice;
- f) Dismissal without notice.

4.3 Measures against management

The managerial relationship is characterized by its fiduciary nature. Compliance with the Model by top-level individuals at WILO ITALIA S.R.L. is considered an essential element of the employment relationship and should serve as an example to subordinates.

Sanctions imposed on top-level individuals are determined and applied in accordance with the legal and contractual provisions of the applicable collective bargaining agreement (CCNL).

Disciplinary relevance is attributed to violations arising from, inter alia:

- failure to comply with the procedures and behavioral rules outlined in the Model, including the provisions of the Code of Ethics;
- evasion of oversight by the SB or obstruction of its monitoring and control powers;
- failure to oversee subordinates and collaborators to ensure compliance with the Model;
- failure to inform the SB of violations of the Model;
- violation of measures protecting whistleblowers;
- submission of knowingly false or grossly negligent whistleblowing reports.

For managers, the following sanctions are provided (to be applied under the terms of the collective bargaining agreement and any existing union agreements):

- a. Verbal reprimand by the administrative body;
- b. Written reprimand via communication from the administrative body;
- c. Temporary suspension;
- d. Dismissal.

4.4 Measures against Directors

Violations of the Model by the Directors of WILO ITALIA S.R.L. must be promptly reported by the SB to the Shareholders' Meeting.

The Shareholders' Meeting conducts the necessary investigations, evaluates the violation with the support of the SB, and takes appropriate measures against the individual responsible for the violation.

Disciplinary measures are adopted by resolution in the absence of the individual concerned.

The applicable sanctions for the Directors are:

- a. Written reprimand;
- b. Temporary suspension from office;
- c. Revocation of office or delegations.

4.5 Measures against external parties: collaborators, agents, consultants

Any conduct by external parties³ that contradicts the guidelines outlined in the Model, including whistleblowing provisions, or that otherwise poses a risk of committing a predicate offence, may result in the termination of the contractual relationship, as specified in the contractual clauses included in letters of appointment or contracts.

³ By way of example: collaborators, suppliers, consultants.