



**SAER ELETTROPOMPE S.p.A.
ORGANIZATIONAL AND
MANAGEMENT MODEL PURSUANT
TO THE LEGISLATIVE DECREE
231/01**

General Part



Amendments and Revisions Tables

Rev.	Reason	Date
00	First draft and adoption of the model	23/05/25

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Glossary

<i>Sensitive activity:</i>	Process/activity in which there is a risk to commit the crimes provided by the Decree and by Law 190/2012; it concerns the processes in whose phases, sub-phases or activities the conditions, occasions or means to commit crimes provided by the Decree and by Law 190/2012 could in principle take place, even in compliance with other organizations
<i>Instrumental activities</i>	Activity through which it is possible to commit a crime of corruption/extortion
<i>Authority:</i>	Judicial Authorities, Institutions and Public Administrations at local, national and foreign levels, Consob, Bank of Italy, Antitrust, Italian Stock Exchange, "Privacy Guarantor" and other Italian and foreign supervisory Authorities
<i>C.d.A.:</i>	Board of Directors
<i>CCNL:</i>	National Collective Labor Agreement
<i>Legislative Decree 231/01 or Decree:</i>	The Legislative Decree no. 231 of June 8, 2001 concerning "Rules on the administrative liability of legal persons, companies and associations, including those without legal personality, pursuant to Article 11 of Law no. 300 of September 29, 2000", and subsequent amendments and additions
<i>Confindustria's guidelines:</i>	The Guidelines for the construction of the organizational management and control model pursuant to the Legislative Decree 231/2001 approved by Confindustria in June 2021.
<i>231 Model :</i>	The Organizational management and control Model under art. 6, c. 1, letter a), of the Legislative Decree 231/01 extended to the application of the crimes foreseen by Law. 190/2012
<i>Corporate Bodies:</i>	the Board of Directors and Auditor Board members of SAER ELETROPOMPE S.p.A.
<i>Sector</i>	Economics sectors in which SAER ELETROPOMPE S.p.A. Group operates
<i>Senior Management individuals:</i>	Individuals holding representative, administrative, or management roles within the Organization or within one of its organizational units with financial and functional autonomy, as well as individuals who exercise, even de facto, corporate management and control (Article 5, paragraph 1, letter a) of Legislative Decree No. 231/01).

<i>Subordinates:</i>	Individuals subject to the direction or supervision of senior management (Article 5, paragraph 1, letter b) of Legislative Decree 231/01)
<i>Statute</i>	The Articles of Association of SAER ELETTROPOMPE S.p.A. approved by the Company Assembly on March 21, 2024
<i>Recipients:</i>	Senior Managements individuals and subordinates and collaborators
<i>Organization:</i>	Subject with legal personality, companies and associations even without legal personality
<i>Governing Body :</i>	See senior management
<i>Supervisory Body:</i>	The body with independent surveillance and control powers entrusted with the liability to supervise the functioning and compliance of the Model 231, having the requirements set out in Article 6, paragraph 1, letter b) of Legislative Decree 231/01, and to ensure its update.
<i>P.A.</i>	Public Administration including its officials and the individuals in charge of a public service
<i>Partner</i>	contractual counterparties of SAER ELETTROPOMPE S.p.A., such as suppliers, agents, partners, both natural and legal persons, with whom the Company enters into any form of contractually regulated collaboration (purchase and sale of goods and services, temporary enterprises association, joint venture, consortium, etc.), as intended to cooperate with the company in the context of Sensitive Processes.
<i>Sensitives processes</i>	SAER ELETTROPOMPE S.p.A. activity in which incurs the risk to commit crimes
<i>Protocols:</i>	Set of company procedures designed to regulate a specific process
<i>Crimes or Predicate crimes:</i>	Crimes to which the provisions of the Legislative Decree 231/01 and Law 190/2021 apply
<i>Disciplinary System:</i>	Set of disciplinary measures applicable, also, in case of violation of Model 231
<i>Whistleblowing</i>	Practices and procedures that form the running of reports of unlawful conduct that ensure the protection and confidentiality of the whistleblower

1. INTRODUCTION

1.1. The administrative liability regime of Organizations

The adaptation of Italian legislation to certain international Conventions to which Italy joined (*the Brussels Convention of July 26, 1995* on the protection of the European Communities' financial interests, *the Brussels Convention of May 26, 1997* on the fight against corruption involving officials of the European Community or officials of Member States, and the *OECD Convention of December 17, 1997* on fighting bribery of foreign public officials in international business transactions) led to the approval of Legislative Decree no. 231 of June 8, 2001, entitled "*Regulation of the administrative liability of legal persons, companies and associations, including those without legal personality*," which came into force on July 4, 2004 in implementation of Article 11 of Delegated Law no. 300 of September 29, 2000.

The Decree introduced for the first time into Italian legislation a system of administrative liability for Organizations concerning certain crimes (expressly listed in Articles 24 and seq. – see Annex I) committed in the interest or to the advantage of the Organizations themselves by individuals who, even de facto, manage or control them, or by their subordinates.

The provisions contained therein identify as active perpetrators of the crime individuals who hold representative, administrative, or management roles within the Organization or within one of its organizational units with financial and functional autonomy, as well as individuals who, even de facto, manage and control the Organization (so-called senior managements individuals), and, finally, individuals subject to the direction or supervision of one of the aforementioned individuals (so-called subordinates). This liability is in addition to that of the natural person who materially committed the crime. In particular, this is an independent liability system, characterized by preconditions and consequences distinct from those established for the criminal liability of the natural person.

In its original text, the Decree exclusively provided for a series of crimes against the Public Administration. Following numerous regulatory interventions over the years that have expanded its content and scope, the Decree now also provides for the liability of the Organization also for other types of offenses, such as corporate crimes, computer crimes, crimes related to security, environmental crimes, crimes related to corruption between private parties, tax crimes, and smuggling (see Annex I).

The Organization's administrative liability is based on **organizational negligence**: the Organization is thus held jointly responsible for the crime of its representative if it failed to establish an organization capable of effectively preventing its commission and, in particular, if it failed to establish an internal control system and adequate procedures for carrying out activities with a major risk of committing crimes (for example, contracts with public administrations).

The Organization, in fact, may be held liable if, prior to the commission of the crime by an individual functionally connected to the company, it failed to adopt and effectively implement organizational and management models suitable for preventing crimes similar to the ones occurred.

As for the consequences, the determination of the crime provided by Decree 231 exposes the Organization to severe sanctions, which affect its assets, image, and its very activity.

Legislative Decree no. 231/01, in fact, involves in the punishment of certain criminal offenses the assets of Organizations that have benefited from them. For all offenses committed is always provided a pecuniary sanction; for more serious cases, disqualification measures are also provided, such as the suspension or revocation of licenses and concessions, a ban on contracting with the Public Administration, a ban on practicing business, the exclusion or revocation of funding and contributions, and a ban on advertising goods and services.

Regarding the single types of crimes to which these provisions apply, it is referred to the more detailed discussion in Annex 1 of this Model.

1.2. The sanctions of the Legislative Decree 231/01

Jurisdiction over administrative offenses committed by the Organization belongs to the criminal judge, who exercises it in accordance with the guarantees provided by criminal proceeding.

The ascertainment of the Organization's administrative liability by a criminal judge may result in the application of severe and harmful sanctions for the Organization's existence, such as:

- a) pecuniary sanctions;
- b) disqualification sanctions;
- c) confiscation;
- d) publication of the judgment.

a) Pecuniary Sanctions

It is always applied when the judge deems the Organization liable. It is established through a system of "fees" (no fewer than one hundred and no more than one thousand), each with a value between a minimum of €258.23 and a maximum of €1,549.37. The pecuniary sanctions, therefore, ranges from a minimum of €25,823 to a maximum of €1,549,370 (except for corporate crimes, whose pecuniary sanctions are doubled pursuant to the Savings Law 262/2005, Article 39, paragraph 5). The judge establishes the number of fees taking into account the seriousness of the offense, the Organization's degree of responsibility, and any actions undertaken by the Organization to eliminate or mitigate the consequences of the offense and to prevent the commission of further offenses. The amount of the fee is set based on the economic and financial conditions of the Organization, in order to ensure the cogency of the sanction.

b) Disqualification sanctions

Disqualification sanctions apply to the crimes for which they are expressly provided and may result in significant restrictions on the Organization's business activities, such as:

- prohibition from operating the business;
- suspension or revocation of authorizations, licenses, or concessions related to the commission of the offense;

- prohibition from contracting with the Public Administration, except for the performance of public services;
- exclusion from benefits, financing, grants, and subsidies, and/or revocation of any already granted;
- prohibition from advertising goods or services.

These measures may also be applied to the Organization as a precautionary measure, and therefore prior to the determination on the ground of crime existence and the administrative offense resulting from it, in the event that there is serious evidence that the Organization is liable for an administrative offense resulting from a crime, as well as the risk of repetition of the offense. If the judge finds that there are grounds for imposing a disqualification measure on an Organization that carries out activities of public interest or has a significant number of employees, he or she may order that the Organization continue to operate under the guidance of a judicial commissioner.

Disqualification sanctions do not apply (Article 17 of Legislative Decree 231/01), without prejudice to the application of pecuniary sanctions, when, prior to the starting of the first-instance hearing, the Organization has:

- fully compensated for the damage and eliminated the harmful or dangerous consequences of the crime or has in any case taken effective action to do so;
- eliminated the organizational deficiencies that led to the crime by adopting and implementing organizational models suitable for preventing crimes similar to the one occurred;
- made the profits obtained available for confiscation.

In any case, disqualification sanctions cannot be applied when they jeopardize the continuity of the activity carried out in industrial plants or parts thereof declared to be of national strategic interest pursuant to Article 1 of Legislative Decree no. 207 of December 3, 2012, converted, with amendments, by Law no. 231 of December 24, 2012, if the Organization has eliminated the organizational deficiencies that led to the crime by adopting and implementing organizational models suitable for preventing crimes of the type that occurred.

c) Confiscation

It consists in the acquisition by the State of the price or profit of the crime, even by equivalent form (by confiscating, then, an amount of money, goods or other valuable utilities corresponding to the price or profit of the crime).

d) Publication of the judgement

It consists in the publication of the conviction judgement (in full or in extract at Organization's expense) in one or more newspapers chosen by the judge as well as by posting at the Municipality where the Organization has its headquarter. The publication of the judgement may be ordered by the judge when a disqualification sanction applied to the Organization.

1.3. Condition exempting administrative liability

Article 6 of Decree 231 establishes that, in the case of crimes committed by senior management individuals, the Organization is not liable if it can demonstrate that:

- a) the governing body adopted and effectively implemented, prior to the commission of the crime, an organizational, management, and control model suitable for preventing crimes of the type that occurred;
- b) the task of monitoring the functioning and compliance with the Model, as well as proposing its updates, has been entrusted to an Organization Body with independent powers of initiative and control (the "Supervisory Body," hereinafter also "Body" or "ODV");
- c) the individuals committed the crime by elude fraudulently the aforementioned Model;
- d) there was no omission or insufficient supervision by the Supervisory Body

If the crime was committed by individuals under the direction or supervision of senior management subjects, the Organization will be held liable for the crime only in the event of culpable deficiency to fulfil management and supervisory obligations.

Therefore, the Organization that, prior to the commission of the crime, adopts and effectively implements an Organizational, Management, and Control Model suitable for preventing crimes of the type that occurred, is exempt from liability if the conditions set forth in Article 6 of the Decree are met.

In this regard, the Decree provides specific directions concerning the requirements that Organizational Models must meet in order to prevent the commission of the predicate offenses set forth in Legislative Decree 231/01:

- identify the activities in which there is a possibility of crimes being committed;
- establish specific "protocols" to plan the training and implementation of the Organization's decisions regarding the crimes to be prevented;
- identify methods to manage financial resources appropriate to prevent the commission of such crimes;
- establish report obligations to the Supervisory Body;
- introduce an internal disciplinary system capable of sanctioning failure to comply with the measures indicated in the Model.

However, the mere adoption of an Organizational Model is not in itself sufficient to exclude such liability, as the model must be effectively and efficiently implemented and the conditions set forth in Article 6, paragraph 1, of Legislative Decree 231/01 must be met.

Particularly, for the effective implementation of the Model, based on the directions of the jurisprudence and case law, the Decree requires:

- periodic review and possible amendment of the Model when significant violations of the provisions are identified or when changes occur in the organization or business;
- the effective implementation of a disciplinary system suitable for sanctioning failure to comply with the measures indicated in the Model itself.

1.4. Crimes committed Abroad

According to article 4 of Decree 231/01, the Organization may be held liable in Italy for certain crimes committed outside the national borders. Particularly, Article 4 of the Decree provides

that Organizations with their headquarters in Italy are also liable for crimes committed abroad in the cases and under the conditions set forth in Articles 7 to 10 of the Criminal Code, provided that the State where the crime was committed does not prosecute them. Therefore, the Organization is liable when:

- it has its headquarters in Italy, i.e., the actual place where administrative and management activities are carried out, possible also different from where the company is located or the registered office (Organizations with legal personality), or the place where the activity is carried out on an ongoing basis (Organizations without legal personality);
- the State within whose jurisdiction the crime was committed is not taking action against the Organization;
- the request from the Minister of Justice, to which the sanctioning may be subject, is also addressed to the Organization itself.

These rules apply to crimes committed entirely abroad by senior management individuals or subordinates. For criminal conducts that occurred even partially in Italy, the principle of territoriality in accordance with Article 6 of the Criminal Code applies, pursuant to which "the crime is considered to have been committed in the territory of the State when the action or omission constituting it occurred there in whole or in part, or the event resulting from the action or omission occurred there".

1.5. Attempted Crimes

In the event of attempted commission of the predicate crimes indicated in Articles 24 to 25-sexiesdecies of Legislative Decree 231/01 (excluding negligent crimes) and in Article 10 of Law 146/2006, the pecuniary sanctions (in terms of amount) and the disqualification sanctions (in terms of time) are reduced from one-third to one-half, while sanctions are excluded in cases where the Organization voluntarily prevents the completion of the action or the realization of the event.

1.6. Confindustria's guidelines

SAER ELETTROPOMPE S.P.A. is a member of the "Assopompe" industry association, part of the Confindustria system.

By express legislative provision (Article 6, paragraph 3, Legislative Decree no. 231/01), organizational and management models may be adopted based on codes of conduct drawn up by Organizations representative associations communicated to the Ministry of Justice.

The company is a member of the "Assopompe" industry association, part of the Confindustria system, which issued an updated version of its "Guidelines for the Development of Organizational, Management, and Control Models pursuant to Legislative Decree No. 231 of June 8, 2001" in June 2021.

The Ministry of Justice approved these Guidelines, deeming the implemented update "overall adequate and suitable for achieving the purpose established by Article 6 of the Decree".

The Confindustria Guidelines indicate a process that can be summarized as follows:

- Identification of risk areas, in order to highlight the company functions within which the harmful events envisaged by the Decree could occur.

- Establishment of a control system capable of preventing risks through the adoption of specific protocols.

The most significant components of the control system developed by Confindustria are:

- Liability outlines for Organization's crime;
- Risk Identification and protocols;
- Code of Ethics or Conduct and disciplinary system;
- Supervisory Body;
- Liability for Crimes in Groups of companies;
- Organizational Models and size thresholds: a key for small Companies

Failure to comply with specific provisions of the aforementioned Guidelines does not invalidate the Model. In fact, the Model adopted by the Organization must necessarily be drafted with specific reference to the exact circumstances of the company, and therefore may also deviate from the Confindustria Guidelines, which, by their nature, are general.

These Guidelines, as a natural point of reference for the models of single companies, are nevertheless attached to be an integral part of the present Model in the most up-to-date version available.

1.7. The implementation of the Legislative Decree by SAER ELETTROPOMPE S.p.A. **Company Description**

SAER ELETTROPOMPE S.P.A. (in the present Model also simply indicated as "SAER ELETTROPOMPE"), has its registered office at the facility located in Guastalla (RE), Via Circonvallazione n. 22.

SAER ELETTROPOMPE S.P.A. is specialized primarily in the production, commerce in Italy and abroad and repair of centrifugal electric pumps, submersible electric pumps and all other types of pumps, pressure tanks, pump parts, and surface and submersible electric motors and their repairs. The Company may also have the above-mentioned technical items manufactured by third-party companies, in whole or in part. In carrying out its business, it may rent, manage, or lease facilities for the production of pumps and related products, and may also market all related technical items associated with centrifugal and submersible electric pumps.

Next to the registered office there are other Facilities in:

Guastalla (RE), Via Parma n.8;

San Giacomo di Guastalla (RE), Via Luciano Lama n. 2 e

and in Guastalla (RE) Via A. Volta n. 2

There are warehouses also in:

- Guastalla (RE), Via Togliatti n. 6;
- Luzzara (RE), Via Togliatti n. 1
- Luzzara (RE), Via Savi n. 6;
- Dosolo (MN), Via Provinciale Sud n. 2;
- Dosolo (MN), Via Provinciale n. 72;
- Dosolo (MN), Via Provinciale Nord n. 4;

and depots in

- Guastalla (RE), Via G. Agnelli – S. Giacomo n.7;

- Dosolo (MN), Via Provinciale n. 5,
- Dosolo (MN), Via Anselma n. 63

There is also a workshop in Guastalla (RE), Via A. Volta n. 3

The Company is certified UNI EN ISO 9001:2015 – Quality management systems. The certified sectors are :

- 18 – Machinery and equipment;
- 19 – Electrical and optic equipment;
- 29 – Wholesale and retail trade; repair of motor vehicles, motorcycles and personal and household products, with certificate number 50 100 3317, first issued on 9.10.2003 and subsequent periodic updates, issued by TUV ITALIA, SQG accreditation scheme.

Considering the need to operate in the conduct of business and corporate activities in a context of transparency and integrity, to protect its position and the image and work of its employees, SAER ELETTROPOMPE S.P.A. has deemed consistent with its corporate policies to adopt a specific Organizational and Management Model.

This initiative was undertaken in the belief that the adoption of this Model (beyond the provisions of the Decree, which designate the Model itself as optional and not mandatory) could constitute a valuable tool to awaken all those who operate on behalf of SAER ELETTROPOMPE S.P.A., so that they may adopt proper conduct in the execution of their activities in compliance with the law, and linear to prevent the risk of committing the crimes contemplated by the Decree.

The system to grant delegations and proxy adopted by SAER ELETTROPOMPE is an integral part of the internal control system and is intended, in accordance with the Model, to constitute an effective means of preventing the crimes referred to in the Decree.

The essential requirements of the delegation's system, for the purposes of effective prevention of crimes, are the following:

a) it is the responsibility of the Administrative Body to ensure that all its collaborators, who represent the Company even informally towards third parties, have suitable powers of legal representation or, alternatively, a written proxy;

b) the proxy has to mention:

- (i) the delegating party (the person to whom the delegate reports hierarchically)
- (ii) the delegate's name and duties, consistent with their position;
- (iii) the scope of the delegation (e.g., project, duration, product, etc.)
- (iv) the date of issue;
- (v) the delegating party's signature

The delegations and proxy system must be :

- a management tool for carrying out actions of external or internal relevance necessary to achieve objectives, consistent with the management responsibilities assigned to each individual;
- a means of preventing abuse of the assigned functional powers, by establishing financial limits for each action or series of actions;
- an incontrovertible element of traceability of SAER ELETTROPOMPE actions, of external or internal relevance, to the individuals who adopted them

In this context, SAER ELETTROPOMPE has decided to establish a system of delegations/proxy coherent with the assigned organizational responsibilities, including a precise indication of quantitative spending thresholds and a system of separate or linked signatures upon exceeding the established thresholds.

Also in implementation of the provisions of Legislative Decree 231/01, the Board of Directors, in adopting this model, appointed a Supervisory Body responsible for overseeing the functioning, effectiveness, and compliance with the Model, as well as ensuring its update.

In preparing this Model, SAER ELETTROPOMPE S.P.A. has been inspired by the Confindustria's Guidelines and intends to comply with them, even in the event of any subsequent amendments or additions.

The Organizational and Management Model of SAER ELETTROPOMPE S.P.A. has been launched and adopted by the Board of Directors on May 23, 2025.

With reference to the "requirements" identified by the lawmaker in the Decree and further detailed in the Guidelines, the activities that the Board of Directors has decided to adopt for the preparation of Model 231 are listed below:

- formalization and divulgation inside its organization of the ethical principles to which the Company has always inspired its business activity;
- analysis and identification of "sensitive" corporate processes, i.e., those activities whose performance may constitute a possibility to commit the crimes referred to in the Decree and therefore to be subjected to analysis and monitoring;
- specific and comprehensive planning of the risks arising from the involvement of corporate organizational structures in activities sensitive to the type of crimes;
- identification of specific and concrete protocols (in place) with reference to sensitive processes and corporate activities and definition of any implementations aimed at ensuring compliance with the provisions of the Decree;
- identification of operational structures capable of supporting the work of the appointed Supervisory Body, including the definition of information flows to and from the Supervisory Body;
- definition of staff training and awakening methods;
- definition and application of disciplinary measures designed to sanction the failure to comply with the measures indicated in Model 231 and to ensure adequate deterrence;
- definition of the information to be provided to third parties with whom the Company interacts.

1.8. Objectives of the Organizational Model

The objectives that The SAER ELETTROPOMPE S.p.A. Organizational Model intends to achieve concern the following area:

- to ensure that the recipients of the Model are aware that, in the event of violation of the provisions set forth herein, they may be subject to disciplinary action under this Model, criminal sanctions applicable to them by the competent court as well as to

cause the application of administrative sanctions resulting from a crime to the Company;

- to prohibit conduct that may constitute the types of crimes referred to in Legislative Decree 231/01, by establishing a prevention and control system aimed at reducing the risk of committing crimes related to company activities;
- to confirm that such forms of unlawful conduct are strongly condemned by the Company, as they (even when the Company is apparently in a position to benefit from them) are in any case contrary not only to legal provisions but also to principles;
- to ensure the correct conduct of the company and its representatives, in full compliance with external and internal regulations;
- to strengthen control, monitoring, and sanctioning mechanisms to prevent crimes to be committed;
- to emphasize the choices regarding compliance, ethics, transparency, and fairness that SAER ELETTROPOMPE S.P.A. has always pursued, with particular reference to the Company's specific objectives in its operational context.

With a view to implementing a systematic and rational program of actions to adapt its organizational and control models, the Company has prepared a map of its business activities and identified the so-called "at-risk" activities, i.e., those that, by their nature, fall within the scope of analysis and control in light of the provisions of the Decree;

Following the identification of the "at-risk" activities, the company has deemed it appropriate to define the referring principles of the Organizational Model that intends to implement, taking into account, in addition to the provisions of the Decree, the relevant guidelines developed by trade associations.

The Company undertakes to continuously monitor its activities both considering the aforementioned crimes and the regulatory expansion to which Decree 231 may be subject. Should the relevance of one or more of the aforementioned crimes emerge, or of any new crimes that the Lawmaker deems to include within the scope of Decree 231, the Company will evaluate the opportunity to integrate this Model with new control measures and/or new Special Parts.

2. ORGANIZATIONAL AND MANAGEMENT MODEL'S RECIPIENTS

The provisions and regulations contained in the Organizational and Management Model pursuant to Legislative Decree 231/01 are addressed to all members of SAER ELETTROPOMPE S.p.A.:

the Board of Directors and all those who, within the Company, hold representative, administrative, or management roles, even de facto, all those linked to the Company by an employment contract, those who cooperate and collaborate with it – in any capacity – in the pursuit of its objectives, and anyone who maintains business relationships with it (external collaborators, freelancers, consultants, as well as all commercial partners).

All Recipients are required to strictly comply with all provisions of the Organizational and Management Model, including in fulfillment of the duties of loyalty, fairness, and diligence

arising from the legal relationships established with the Company.

3. THE ORGANIZATIONAL AND MANAGEMENT MODEL

The implementation of a Model constitutes a "right" for the Company and not a legal obligation; failure to adopt it, therefore, is not subject to legal sanctions.

However, SAER ELETTROPOMPE S.p.A.—recognizing the need to ensure fairness and transparency in the conduct of its business and corporate activities to protect its image, its employees, and all those who work for the Company—has deemed consistent with its corporate policies to implement the Model.

The adoption of the Model, in addition to potentially exempting it from administrative liability, pursues the following fundamental objectives:

- awaken and remind the Recipients of the Model of proper conduct and compliance with internal and external regulations;
- effectively prevent the commission of the crimes set forth in the Decree;
- concretely implement the values stated in its Code of Ethics.

As consequence, from an organization perspective, the Company believes that adopting the Model can also help achieve the following results:

- contribute to the prevention of various types of crimes;
- increase the effectiveness and efficiency of corporate operations in implementing the company's strategies;
- improve competitiveness in the national and international markets;
- improve the internal work environment.

In conclusion, the Model allows the Company both to protect its corporate assets, avoiding the application of pecuniary and disqualification sanctions, and to achieve a more conscious organized management of the Company, guided by the principles of good governance, thus promoting the achievement of economic development objectives.

3.1. Structure

The present Organizational and Management Model consists of a "General Part" and several "Special Parts," drafted in relation to the types of crimes whose commission is theoretically conceivable based on the Company's activities. The Code of Ethics is also intended to be part of the Organizational and Management Model.

The Code of Ethics governs the set of rights, duties, and responsibilities that the Company expressly assumes towards those with whom it interacts in the performance of its business. The Code of Ethics also aims to introduce and make binding to the Company the principles and rules of conduct relevant for the reasonable prevention of the crimes provided in Legislative Decree No. 231/01.

The Code of Ethics, therefore, not only serves to divulgate a culture of legality and ethics within the Company but also to protect the interests of employees and those who have relations with the Company, protecting it from serious liability, sanctions, and reputation damage.

The Model, however, complies with specific provisions of Legislative Decree 231/01, particularly aimed at preventing the commission of the types of crimes set forth in the Decree (for acts that, even if apparently committed in the interest or to the advantage of the Company, may give rise to administrative liability for the crime).

Considering that the Code of Ethics recalls the principles of conduct (including legality, fairness, and transparency) also suitable for preventing the unlawful conduct referred to in Legislative Decree 231/01, it constitutes an integral part of this Model.

The Code of Ethics and Conduct contains the ethical rules to be observed by all recipients in the performance of corporate activities.

In light of the foregoing, it is therefore specified:

1. The Code of Ethics represents a tool adopted independently by the Company, capable of general application, for the purpose of expressing the principles of "corporate ethics" that the Company recognizes as its own and on which it demands abidance by all employees, managers, and directors;
2. The ethical principles contained in the Code of Ethics, related to the topics covered in the General Section and the Special Sections of the Model, constitute the basic rules of conduct for the legitimate exercise of corporate activities.

This Model is an "act issued by the Governing Body" (in compliance with the provisions of Article 6, paragraph 1, letter a, of the Decree). The task to control the functioning and compliance with the Model, and ensure its update, has been entrusted to the Supervisory Body (ODV), a body with independent powers of initiative and control.

Furthermore, the Board of Directors of SAER ELETTROPOMPE S.P.A. has the right to make any formal amendment or additions to the text through specific resolutions, including the inclusion of additional Special Sections.

3.2. General Part

Legislative Decree 231/01 expressly requires, in its Article 6, paragraph 2, letter a), that the Model identify the corporate activities within which the crimes referred to in the same Decree could potentially be committed. The Company has therefore conducted an analysis of its corporate activities and related organizational structures with the specific aim of identifying the risk areas in which the crimes envisaged by Legislative Decree 231/01 could be committed, the possible ways in which they could be committed, as well as the processes in which, in principle, the conditions could be created and/or the tools could be provided for the commission of the crimes.

- *Risk identification and planning*

Legislative Decree 231/01 expressly requires, in its Article 6, paragraph 2, letter a), that the Model identify the corporate activities within which the crimes referred to in the same Decree could potentially be committed.

The Company has therefore conducted an analysis of its corporate activities and related organizational structures with the specific aim to identify the risk areas in which the crimes provided by Legislative Decree 231/01 may be committed, the possible ways of committing

them, as well as the processes in which, in principle, the conditions could be created and/or the tools could be provided for the commission of the crimes.

Pursuant to Article 6, paragraph 2, letter a) of Legislative Decree 231/01, the identification and panning of risks consists in the analysis of all corporate activities and identify the operational or decision-making phases that imply the possibility of committing unlawful acts.

The risk mapping is subject to ongoing monitoring and review activity, also in light of any structural or operational changes that SAER ELETTROPOMPE S.P.A. may face.

- *Identification of processes and risk areas*
- *Analysis of existing protocols and definition of any implementations aimed at ensuring compliance with control principles, with reference to "sensitive" company activities.*
- *Development of a control system*

3.3. Special part and Ethic

The single Special Parts of the Model establish the guidelines for the measures and procedures (such as, for example, the separation between functions, the participation of multiple subjects in the same risky decision-making activity, specific authorization and documentation obligations for the most sensitive phases) capable of preventing or in any case significantly reducing the risk of crimes being committed.

At the moment the Special Parts are:

Special Part A	Crimes against the Public Administration
Special Part B	Computer crimes and unlawful data processing
Special Part C	Organized crimes
Special Part D	Crimes against industry and commerce
Special Part E	Corporate crimes and corruption between private individuals
Special Part F.	Crimes for the purpose of terrorism and subversion of the democratic order
Special Part G	Crimes against the individual - crimes involving the use of foreign workers without a residence permit - crimes of incitement to racism and xenophobia
Special Part H	Crimes involving copyright infringement
Special Part I	Crimes committed in violation of accident prevention regulations
Special Part L	Crimes of receiving stolen goods, money laundering, and use of money, goods, or utilities of illicit origin and self-laundering
Special Part M	Crime of inducing the person to make or withhold false Statements to the judicial authorities
Special Part N	Environnemental crimes
Special Part O	Tax crimes
Special Part P	Crimes Contraband
Special Part Q	Crimes against cultural heritage
Special Part R	Crimes involving non-cash payment instruments and Fraudulent transfer of valuable

Corporate provisions instrumental to the implementation, update, and adaptation of the Model are issued to the relevant corporate functions, prior approval by the Administrative Body. Beyond the described procedures, which operate ex ante, subsequent checks are carried out on individual transactions or corporate behaviors (ex post control).

Like risk planning, also the procedures and remedies adopted are subject to continuous reassessment in order to propose improvements, additions, and necessary amendments.

- Existence of general rules of conduct to oversee the activities performed;
- Existence and adequacy of procedures to regulate the performance of activities;
- Foresight of authorized levels to ensure adequate the decision-making process control;
- Existence of specific control and monitoring activities;
- Management methods of financial resources suitable for preventing crimes to be committed;
- *Designation of the Supervisory Body*

The Supervisory Body (ODV) provides for:

- constantly monitoring compliance with the provisions of the Model, as well as the specific provisions of the measures and procedures established to implement this Model, by the Company's managers and employees;
- proposing to the Board of Directors the adoption of disciplinary measures in the event of non-compliance;
- constantly and continuously assessing the adequacy of the risk planning and procedures;
- proposing to the Board of Directors any necessary changes.

The body operates collegially and is completely autonomous and independent.

- Definition of information flows to the Body
- Information, awakening and divulgation activity of established rules of conduct and procedures at all company levels
- Definition of responsibilities for the approval, adoption, integration, and implementation of the Model, as well as for verifying its functioning and corporate conduct, with periodic updates (ex-post monitoring).

It should be noted, however, that the organizational model provided by Legislative Decree no. 231/01 does not constitute anything new for the Company, as the activities performed are essentially characterized by its own particularly rigorous control system based on the implementation and enforcement of Quality, Environmental, and Safety Management Systems in accordance with the regulations.

Furthermore, the Company has adopted the Personal Data Self-Regulation Code, with which it intends to ensure that the processing of personal data is carried out in compliance with European Regulation 679/2016 (GDPR).

A review of the internal organizational structures already active and operating was then carried out to verify their compliance, also formal, with the provisions of Legislative Decree

no. 231/01 and to integrate the existing Management Systems into the 231 Organizational Model.

4. DISCIPLINARY SYSTEM: SANCTIONING MECHANISM

Article 6, paragraph 2, letter e), identifies one of the essential elements of the Model as the existence of a *"disciplinary system capable of sanctioning failure to comply with the measures indicated in the Model."*

The definition of this disciplinary system constitutes, pursuant to Article 6, paragraph 1, letter e) and Article 7, paragraph 4, letter b) of the Decree, an essential requirement of the Model for the purposes of the exemption provided for in Article 6 of the Decree.

The essential preventive function of the disciplinary system must be combined with the gradual application of sanctions based on the severity of the violations.

It is therefore necessary that the Model specifically identify the disciplinary measures to which each individual is exposed in the event of non-compliance with the measures indicated in the Model itself, linking the applicable sanctions to each violation with a view of increasing severity and proportionality.

Article 6, paragraph 2, letter e) and Article 7, paragraph 4, letter b) of the Decree no. 231/01 provides, with reference to both senior management and individuals under the direction of others, the necessary establishment of "a disciplinary system suitable for sanctioning failure to comply with the measures indicated in the Model."

The effective implementation of the Model and the Code of Conduct cannot ignore the establishment of an adequate disciplinary system, which plays an essential role in the system of Legislative Decree 231/01, constituting a protective safeguard for internal procedures.

In other words, the provision of an adequate system capable of sanctioning violations of the provisions and organizational procedures recalled by the Model represents a qualifying element of the Model itself and an essential condition for its effective operation, application, and compliance by all Recipients.

In this regard, it is important to emphasize that the application of sanctions is independent of the actual commission of a crime and the possible initiation of criminal proceedings: the purpose of the sanctions provided for herein is, in fact, to repress any violation of the Model's provisions, established for the prevention of criminal offenses, by promoting awareness among company personnel and all those who collaborate with the Company in

any Company's capacity of the firm commitment of this latter to prosecute any violation of the rules established to ensure the proper performance of assigned duties and/or tasks.

Therefore, the disciplinary system applicable in the event of violations of the Model's provisions is aimed at ensuring the effective implementation of the Model itself and the action of the Supervisory Body, also in accordance to Article 6 of the Decree.

A fundamental requirement for sanctions is their proportionality to the violation detected. Proportionality has to be valued in accordance with three criteria:

- Severity of the violation
- Type of employment relationship established with the employee (subordinate, freelance worker, managerial, etc.), taking into account the specific existing regulatory and contractual provisions
- Possible recidivism

4.1 Violation of the Organizational and Management Model

For the purposes of compliance with Legislative Decree No. 231/01, the following constitute by way of example a violation of the Model:

- Implementation of actions or behaviours that do not comply with the provisions of the Model, or the omission of actions or behaviours provided by the Model, in the performance of activities in which there is a risk of crimes being committed (i.e., in so-called sensitive processes) or in activities related to them.
- Implementation of actions or behaviours that do not comply with the principles contained in the Code of Ethics, or the omission of actions or behaviours prescribed by the Code of Ethics, in the performance of sensitive processes or in activities related to them

The sanctions provided for the different types of Recipients are listed below.

Legislative Decree no. 24 of March 10, 2023, "Implementation of Directive (EU) 2019/1937 of the European Parliament and of the Council of 23 October 2019 on the Protection of persons reporting violations of Union law and containing provisions regarding the protection of persons reporting violations of national regulations" is managed in the control procedure "P026 - Procedura whistleblowing with related forms and instructions distributed to all staff upon new hires and available on the intranet site.

With the introduction of Legislative Decree no. 24 of March 10, 2023, the running of the violation reporting is no longer the responsibility of the Supervisory Body but of individuals clearly defined in the P026 procedure when internal reporting channels are used.

For violations reported through an external reporting channel, the sole manager is the ANAC.

4.2. Sanctions against the Administration Body

The Company rigorously evaluates violations of the present Model committed by those who represent the Company's leadership and represent its image towards employees, shareholders, creditors, and the public. The development and consolidation of a corporate

ethic sensitive to the values of fairness and transparency assumes, first and foremost, that these values are acquired and respected by those who lead the corporate decisions, so as to be as an example and inspiration for all those who, at any level, work for the Company.

In the event of a violation of the Model by the Sole Director, the Supervisory Body will take appropriate measures, including, for example, convene shareholders meeting to adopt the most appropriate measures required by law and/or revoke any powers granted to the director.

In any case, it is retained the right for the company to take liability and compensation actions. For sanctions relating to the obligations set forth in Legislative Decree no. 24 "Implementation of Directive (EU) 2019/1937 of the European Parliament and of the Council of 23 October 2019 on the protection of persons who report breaches of Union law and lay down provisions on the protection of persons who report breaches of national legislation" it is the ANAC's duty to apply the necessary administrative pecuniary sanctions to the person responsible.

4.3 Sanctions against the employees

Failure to comply with the procedures described in the Model adopted by the Company pursuant to Legislative Decree no. 231/01 imply the application of identified disciplinary sanctions against the Recipients, which will be applied in accordance with the procedures set forth in Article 7 of Law 300/1970.

If one or more of the violations indicated in the previous paragraph are ascertained, depending on their severity and possible repetition, the following disciplinary measures will be imposed, based on the specific applicable National Collective Labor Agreement for the specific sector:

- Verbal warning
- Written warning
- Fine not exceeding the amount of three hours salary
- Suspension from work and without pay for up to three salary
- Dismissal without notice

Disciplinary sanctions will be imposed in accordance with the procedural rules set forth in Article 7 of Law 300/1970 and the current National Collective Labor Agreement, according to a principle of proportionality (based on the severity of the violation and taking into account recidivism).

Particularly, the type and extent of each of the above-mentioned sanctions will be applied based on:

- The intentionality of the behavior or the degree of negligence, recklessness, or incompetence, including the foreseeability of the event.
- The worker's overall behavior, particularly with regard to the existence or otherwise of previous disciplinary actions, within the limits permitted by law.
- The worker's duties.
- The position of the individuals involved in the events constituting the misconduct.
- The violation of the Company's internal rules, laws, and regulations.

- Any other specific circumstances surrounding the disciplinary violation.

In any case, the Supervisory Body will always be informed of the sanctions imposed and/or verified violations.

4.4 Sanctions against third parties

Failure to comply with the rules indicated in the Model adopted by the Company pursuant to Legislative Decree no. 231/01 by suppliers, collaborators, external consultants, partners having contractual/commercial relationships with the company, may result, in accordance with the provisions of the specific contractual relationship, in the termination of the relevant contract, without prejudice to the right to request compensation for damages incurred as a result of such behavior, including damages caused by the application by the Judge of the measures provided for by Legislative Decree no. 231/01.

4.5 Sanctions against the Auditor Board

Failure to comply with the provisions of the Model, including breaches of disclosure obligations to the Supervisory Body and the documentation being an integral part thereof (Code of Ethics), by the Board of Auditor may result in the application of measures deemed most appropriate in accordance with the applicable law. In particular, the Board of Auditors is required to comply with the present Model in the sections that concern it and to monitor any relevant conduct pursuant to this Model that is subject to its control by law.

In the event of a violation of the Model by the Auditor Board, the Supervisory Body shall inform the Board of Directors, which shall take appropriate action.

4.6 Sanctions against the members of the Supervisory Body

In the event of violations of this Model by one or more members of the Supervisory Board, the other members of the Supervisory Board, or any of the auditors or directors, shall immediately inform the Company's Board of Auditor and the Board of Directors. These bodies, after notifying the violation and taking notice of the defense arguments eventually put forward, shall take appropriate measures, including, for example, revocation of the appointment.

5. MODEL PLANNING METHOD IN SAER ELETTROPOMPE S.p.A.

5.1. Risk planning and identification of the sensitive processes

The building and the adoption of the Model has been developed according to the following procedural steps:

a) Identification of the sensitive activities – as is analysis:

In-depth analysis of corporate activities within which 231 crimes may be committed, as well as the instrumental activities to the commission of these crimes, with particular reference to new and/or recent introduced crimes and regulatory amendments.

b) Risk assessment: planning of processes, activities, and corporate organization, in-depth analysis of existing and implemented certifications:

- In-depth analysis of corporate activities within which 231 crimes may be committed; this involves the analysis of all activities within which predicate crimes may be directly committed, as well as the activities instrumental to the commission of these crimes, with particular reference to new and/or recent introduced crimes;
- In-depth review of the processes involved, their activity flows, and the potential "operational intersection" between these activities and the predicate offenses that may be committed within them - identification of "sensitive" processes/activities (so-called risk mapping);
- Verification and identification of process Internal Responsible individuals at risk of crime;
- Definition of a procedure aimed at developing dialogue and communications to and from the Supervisory Body, including in relation to whistleblowing regulations: given the importance of this topic for the effectiveness and efficiency of the Organizational and Management Model, a specific procedure has been developed regarding information flows to and from the Supervisory Body itself, so that everyone, beyond what is already provided for in the Model (MOG), can have a clear and operational overview of the information and flows that must pass to and from the Supervisory Body.

c) Identification of at risk activity

In order to define the Company's risk profile, the following activities have been carried out:

- Analysis of the areas of activity of each corporate Function, through interviews with responsible individuals that participate for their respective competence, in the recognition and following phases of risk's identification and evaluation;
- Identification and mapping of the "at-risk" corporate activities of each function based on the Crimes and identification of the "Key Officers," i.e., the highest-level organizational personnel capable of providing detailed information on single individual corporate processes and the activities of each single Functions;
- Analysis of the risk profile for each identified activity, by identifying the potentially committable Crimes and the methods of carrying out the unlawful conduct, including in complicity with other internal or external parties;
- Identification of the operational and support processes within which controls must be implemented to monitor the identified risk cases.

d) Risk Management Analysis

- For each of the identified risk areas, the operating procedures and existing controls have been examined. It has been then underlined the areas of corporate activities to monitor as their execution could constitute an opportunity for the commission of crimes. This analysis has the dual objective to value the suitability of operating procedures to prevent, with respect to the risky activities, the relevant crimes pursuant to the Decree and identify any deficiencies in the existing control system.
- Particularly the assessment activity has defined to carry out the following types of investigation:
 - analysis of the existing controls system in the processes instrumental to the commission of the suspected crimes, with the consequent identification of any critical issues in the existing controls and the formulation of related improvement suggestions;
 - critical analysis of the adopted control system, also in light of relevant case law. Despite the different function performed by Model 231 and the Plan compared to the Code of Ethics, the documents are drafted according to common

principles and procedures, in order to create a set of coherent and effective internal rules.

e) Gap analysis and “protocols” definition

Based on the identified risks, it has been done the mapping and collecting of the existing company procedures and/or practices, with reference to the identified at-risk functions/processes and taking into account an evaluation of their adequacy as measures to limit (making them "acceptable") or prevent the risk of crime being committed, identifying deficient phases (gap analysis) or those requiring adjustment. This represents the actual starting point to establish "control protocols".

f) Definition of the disciplinary system

The law in question and subsequent case law identify the "disciplinary system" as the fundamental cornerstone for the building of an adequate Organization and Control Model. Therefore, a detailed analysis of the existing system was conducted, providing indications on its potential adaptation to the standards required by law. The Disciplinary System is an integral part of the Organization Model

g) Definition of a specific training plan

As confirmed by case law, adequate training—aimed at all personnel potentially involved, in various capacities, in "sensitive 231 processes"—is an essential element for the "sustainability" of a Model in the event of a critical review by a criminal judge.

SAER ELETTROPOMPE promptly defines appropriate training programs, including those following updates and revisions of the Model, also using e-learning tools.

SAER ELETTROPOMPE's adoption of the Model is also implemented according to the following criteria:

- Model realization and update

SAER ELETTROPOMPE has developed and implemented the present Model and shall promptly updated it based on any needs that arise over time.

The Model is developed and approved by resolution of the Board of Directors of SAER ELETTROPOMPE

- Model implementation and Effectiveness control and verification

The implementation of the Model is the responsibility of the Company: the Supervisory Body will be responsible for verifying and monitoring its effective and appropriate implementation in relation to the company's activities.

The Supervisory Body of SAER ELETTROPOMPE will promote and coordinate overall control activities regarding the application of the Model to ensure its correct and consistent implementation.

6. THE SUPERVISORY BODY (ODV)

6.1. Identification of the Body

The Supervisory Board of SAER ELETTROPOMPE S.P.A. has a collegial structure and is appointed by resolution of the Administrative Body. With the same resolution, the

Administrative Body appoints the President from among its members and determines the human and material resources (budget) available to the Supervisory Board to perform its functions.

The Supervisory Board of SAER ELETTROPOMPE S.P.A. is composed of two (2) members, identified as follows:

- an external professional, a Supreme Court lawyer;
- an external professional, a lawyer, with expertise in legal and safety matters

as individuals with proven experience and who meet within the body's definition the requirements of autonomy, independence, integrity, professionalism, and continuity of action, as well as possessing specific skills in inspection and consultancy activities and ensuring knowledge of the corporate structure.

The Supervisory Board remains in charge for three years, except in case of renewal by the Administrative Body. Its members may be removed only for good cause. In the event of resignation due to unavailability, death, revocation, or termination of office of any of the Supervisory Board members, the Administrative Body will promptly appoint the necessary members to restore the Supervisory Board at its next meeting. The new designated members will terminate their office together with the ones in charge.

In the event of replacement of the President, the Presidency shall be assumed by the most senior member until the next meeting of the Administrative Body.

In carrying out its functions, the Supervisory Board must be guided by the principles of autonomy. To ensure the principle of impartiality, the Supervisory Board is placed at the top of the Company's hierarchy. It must report directly to the Administrative Body.

6.2. Supervisory Body Prerogatives

The Supervisory Board of SAER ELETTROPOMPE S.P.A. may be supported by operational staff (including part-time employees), for whom it will determine the operating and organizational criteria, and will independently have adequate financial resources.

The Supervisory Board may use the collaboration of other members of company management when their specific knowledge and expertise are required for specific analyses and for the evaluation of specific operational and decision-making steps in the Company's business.

In any case, the Supervisory Body shall have the right, where it becomes necessary to utilize professionals not present within the Supervisory Body, either within the aforementioned operational staff or within the corporate organizational structure, to seek the advice of external professionals.

6.3. Appointed requirements and Grounds of ineligibility

Individuals with proven business and legal knowledge, especially in criminal matters, and with particular professional competence may be appointed to the Supervisory Board. Each member must be capable of performing the functions and tasks assigned to the Supervisory Board, taking into account the areas of intervention in which it operates.

The Board (hereinafter referred to as the "Supervisory Board" or OdV) and its members, in order to effectively fulfil their duties, must meet the following requirements:

- **Autonomy and independence:** as also specified in the Guidelines, the Board's position within the Organization "must guarantee the autonomy of the control initiative from any form of interference and/or influence by any member of the Organization" (including the management body). This requirement is therefore ensured by positioning them within the organizational structure as a staff unit and in the highest possible position, reporting to the highest operational level of the company, namely the Board of Directors as a whole.
- **Professional competence:** this requirement refers to the specialized technical skills the Supervisory Body must possess to perform the activities assigned to it by law. This requirement is ensured by the professional, technical, and practical knowledge possessed by the members of the Supervisory Body. In particular, the chosen composition guarantees appropriate legal knowledge and understanding of the principles and techniques of control and monitoring, as well as of the corporate organization and the Company's main processes.
- **Continuity of action:** with reference to this requirement, the Supervisory Body is required to constantly monitor, through investigative powers, compliance with the Model by the Recipients, and to ensure its implementation and update, acting as a constant point of reference for all SAER ELETTROPOMPE S.p.A. personnel.

The following constitute grounds for ineligibility and/or removal from office of members of the Supervisory Board:

- a) the circumstances set forth in Article 2382 of the Civil Code;
- b) being under investigation for one of the predicate offenses set forth in Decree 231;
- c) a conviction judgment (or plea bargain), even if not final, for committing one of the crimes set forth in the Decree and/or, in any case, for an intentional crime;
- d) a conviction (or plea bargain), even if not final, for a sanction that involve disqualification, even temporary, from holding public office, or disqualification, even temporarily, from holding management positions in legal person and companies;
- e) being in situations that seriously undermine the autonomy and independence of an individual member of the Supervisory Board in relation to the activities they perform.

6.4. Meetings, Resolutions and internal regulation

The Supervisory Body shall practice the following operating procedures, in compliance with the following general principles:

- The Supervisory Body must meet at least quarterly and draft specific minutes of the meeting;
- Resolutions will be adopted by majority vote.

The Body's activities (establish the frequency of inspections and meetings, identifying analysis criteria and procedures, etc.) are governed by specific regulations, formulated and draft by the Body itself, without the need for any prior approval and/or clearance from other corporate bodies other than the Body itself.

6.5. Responsibility of the Supervisory Body

A comprehensive reading of the provisions governing the activities and obligations of the Supervisory Body (OdV) reveals that it is entrusted with control duties not regarding the commission of crimes itself, but rather with the functioning and compliance with the Model (also ensuring its update and any adjustments where there are changes to the relevant corporate structures), with exclusion thus of any criminal liability in this regard.

SAER ELETTROPOMPE may, however, consider to establish protection mechanisms for the Supervisory Body such as forms of insurance.

6.6. Supervisory Body functions and powers

The Supervisory Body of SAER ELETTROPOMPE is entrusted with the general task of monitoring:

- a) compliance with the provisions of the Model and related documents by Recipients, taking all necessary action;
- b) the actual effectiveness and capacity of the Model's provisions, in relation to the company structure, to prevent the commission of the crimes provided by the Decree;
- c) the opportunity to implement and update internal control procedures in line with the provisions of the Model.

The Supervisory Body of SAER ELETTROPOMPE will achieve the aforementioned objectives through:

- carrying out control activities, by clarify, however, that primary responsibility to control activities, including those related to high-risk areas, remains with operational management and is an integral part of the company process;
- identification of the company activities for the purpose to update the high-risk areas planning within the company;
- Implementation of appropriate initiatives to promote the divulgation and comprehension of the Model;
- Verification of internal organizational documentation necessary for the functioning of the Model, containing instructions, procedures, specifications or updates;
- Collection, processing, and conservation of significant violations of the Model's compliance, as well as updating the list of information that must be transmitted to the Supervisory Body or kept available to it;
- Coordination with other company functions (including through dedicated meetings) to better monitor activities in at-risk areas;
- Verification of the effective maintenance and effectiveness of the required documentation in compliance with the provisions of the individual Special Sections of the Model for the various types of crimes;
- Ascertainment of alleged violations of the provisions of this Model and/or Legislative Decree 231/01 and proposal for the adoption of the most appropriate measures;
- Reporting to the competent bodies any deficiencies in the Model and proposing any amendments or improvements;
- Coordination with the Responsible individuals of the other company functions for the various aspects related to the implementation of the Model;
- any other periodic or targeted check on the actual performance of individual operations, procedures, or activities within the Company that are deemed appropriate (ex post checks).

The directives and indications expressed by the Supervisory Body, for the areas under its attribution, must always be duly taken into consideration by the corporate bodies in carrying out their duties regarding the matters covered by this Model.

6.7. Control system coordination

As previously mentioned, SAER ELETTROPOMPE's Supervisory Board shall have the task to verify the realization of a consistent system of controls across the company's activities.

SAER ELETTROPOMPE's Supervisory Board have the right to acquire documentation and information and to conduct periodic and targeted audits of the company's at-risk activities.

To this end, the Supervisory Board must have unrestricted access to all Company functions, without need of any prior consent, to all company personnel and documentation, and to acquire relevant data and information from responsible parties, including the accountant auditor, and the documentation prepared by them.

7. INTERNAL INFORMATION FLOWS

7.1. Information obligations to the Supervisory Body

In addition to the documentation expressly indicated in each Special Section of the Organizational and Management Model, according to the procedures set forth therein, the Supervisory Body must be informed of any other aspect concerning to the implementation of the Model in the areas of activity at risk and any violations of the Model's provisions.

All the following information must always be communicated to the Supervisory Body:

- decisions regarding the request, allocation, and use of public funding;
- contractual relationships with the Public Administration;
- requests for legal assistance submitted by Shareholders, Directors, Managers, and/or employees, against whom the Judiciary system proceeds for the crimes set forth in the Decree;
- inquiry commissions or internal reports that reveal liability for the offenses set forth in the Decree;
- investigations or internal reports that reveal liability for the offenses set forth in the Decree;
- measures and/or information from judicial police bodies or any other authority indicating the conduct of investigations, including against unknown persons, for the same crimes potentially affecting company activities;
- judgments, orders, criminal, civil, administrative, or tax judicial orders, including precautionary measures;
- results and conclusions of inquiry commissions or other internal reports from which hypotheses of liability for these crimes emerge;
- in particular, internal and external communications regarding any case point that may be linked to the alleged crimes referred to in the Decree (e.g., disciplinary measures started/implemented against employees);
- information relating to the effective implementation of the Model at all company levels, with evidence (within the scope of the disciplinary proceedings conducted) of any

sanctions imposed or dismissing decisions of such proceedings with the relatives reasons;

- information relating to organizational changes;
- periodic results of the control activities carried out by company departments for the purpose of implementing the Model (e.g., summary reports of control activities, monitoring activities, final indicators), as well as any anomalies or atypicality identified by the departments themselves; in particular, reports or mention prepared by company managers, which may reveal facts, acts, events, or omissions that may indicate a critical risk to compliance with the provisions of Decree 231;
- disciplinary proceedings conducted and any sanctions imposed or dismissals orders of such proceedings, with the related reasons;
- summary statements of contracts awarded following public tenders or private negotiations;
- contracts awarded by Public Organizations or subjects performing public utility functions;
- periodic reports on occupational health and safety;
- any deficiencies in current procedures;
- updates to the delegation system;
- significant or atypical transactions involving risk, or transactions of particular importance that present risk profiles that suggest a reasonable risk of crimes being committed;
- changes in risky or potentially risky situations (e.g., establishment of "funds or advances available to corporate bodies," representation expenses significantly higher than budgeted, etc.);
- truthfulness and full declaration of the information contained in corporate communications;
- availability of the minutes of the Shareholders' Meeting and/or the Administrative Body;
- information regarding any anomalies in relationships with customers and/or suppliers.

Finally, the Supervisory Body must be informed of any other information of which it has knowledge directly obtained from employees, shareholders, or third parties regarding the commission of the crimes provided in the Decree or conduct inconsistent with the Model. Particularly, each manager and/or employee of the Company must also communicate, in writing and not anonymously, with full confidentiality guaranteed, any further information regarding possible internal anomalies or unlawful activities.

The Board of Directors and other corporate bodies are required to provide the Supervisory Body with full information on matters falling within its competence.

The Supervisory Body may request any information and/or documentation useful for its investigations and controls from the Board of Directors, other corporate bodies, managers, and employees reminding to these subjects to fulfill with the utmost diligence, completeness, and promptness to each request of the Supervisory Body.

The Supervisory Body may request the Board of Directors or General Management to impose disciplinary sanctions on those who fail to comply with the mentioned information obligations.

The report must be submitted in writing by the sender and should preferably contain the following indications:

- personal information of the reporting individual;
- clear and complete description of the reported facts;
- if known, the circumstances of time and place in which the actions were committed;
- if known, personal information or other information that allows identification of the individuals who committed the reported facts;
- identification of any other individuals who can provide information on the reported facts;
- identification of any documents that can confirm the grounds of such facts;
- any other information that may provide useful confirmation of the existence of the reported facts.

Anonymous reports will generally not be considered.

In exceptional circumstances, however, anonymous reports may be considered, provided they are submitted using the methods provided in this document, and only if they are adequately detailed and presented in great details, thus revealing particularly serious facts and situations related to specific contexts (for example, by specifying specific names or qualifications, mentioning specific offices, particular proceedings or events, etc.).

The requirement that the reported facts or situations has be truthful remains unchanged.

Regarding reports made in bad faith, or unfounded reports made with intent or gross negligence, the Supervisory Body will provide an appropriate response, censure the conduct and inform the Company in the event of proven bad faith, intent and/or gross negligence.

The communication channels established to facilitate the submission of reports are the following:

- a. By sending a report to the Supervisory Body (ODV) at the following email address:
odv@saer.it

This ensures that those who choose to submit their reports directly to the Supervisory Body outside of the usual hierarchical line will not suffer negative repercussions on their employment status.

The Supervisory Body may also receive and evaluate written, non-anonymous, and confidential reports from third parties.

All information, reports, and notifications required by the Model are stored by the Supervisory Body in a dedicated archive (electronically and paper).

Access to the archive is permitted only to members of the Supervisory Body.

Members of the Supervisory Body are required to maintain the confidentiality of all facts and circumstances of which they become aware, with the exception of disclosures required by law.

In any case, the Supervisory Body will evaluate reports received with discretion and responsibility. To this end, it may interview the person reporting the matter and/or the person responsible for the alleged violation, providing written reasons for any independent decision not to proceed.

SAER ELETTROPOMPE guarantees each member of the Supervisory Body, as well as anyone the Supervisory Body uses to perform its functions (both internal and external to the Company), protection from retaliatory consequences of any kind resulting from their activities. Furthermore, any form of retaliation or discriminatory measure, whether direct or indirect, affecting working conditions for reasons directly or indirectly related to the report is neither permitted nor tolerated against an employee who reports a violation.

Discriminatory measures include unjustified disciplinary action, workplace harassment, and any other form of retaliation that results in intolerable working conditions.

An employee who believes they have suffered discrimination as a result of reporting a violation must immediately notify the Supervisory Body and the Human Resources Office.

Pursuant to Article 6, paragraphs 2ter and 2quater of Legislative Decree no. 231/01, it is specified that the adoption of discriminatory measures against individuals who report under this procedure may be reported to the National Labor Inspectorate, for the measures within its jurisdiction, not only by the reporting party but also by the trade union designated by the reporting party.

Furthermore, retaliatory or discriminatory dismissal of the reporting party is void, as are changes in duties pursuant to Article 2103 of the Italian Civil Code, as well as any other retaliatory or discriminatory measures adopted against the reporting party. In such cases, the burden falls on the employer to demonstrate that the measures adopted are based on reasons unrelated to the report itself.

7.2. Whistleblowing

The term "whistleblowing," of Anglo-Saxon origin, literally means "to blow the whistle" and refers to the legal instrument developed and tested in the United States and Great Britain to ensure a prompt information on potential risks, such as fraud against or involving the organization, negligence, offenses, threats, etc.

In Italy, whistleblowing regulation began about ten years ago, with the introduction of Law 90/2012, with the aim of introducing the practice of reporting offenses within organizations, protecting whistleblowers (public employees). The obligation for public administrations to implement anti-corruption prevention systems, including a whistleblowing mechanism, has been partially extended to the private sector with Law no. 79 of November 30, 2017 (the so-called Whistleblowing Law), which introduced a "binary" system, providing protection for both public sector workers (amending the Consolidated Law on Public Employment for this purpose) and private sector workers, where the relevant discipline is provided by Legislative Decree no. 231 of June 8, 2001.

The reason behind the adoption of this legislation—and, in particular, the reform of Decree 231—was to identify protection mechanisms for workers who report crimes or irregularities of which they become aware during their work activities.

On October 7, 2019, the European Union adopted the Directive on the "Protection of individuals who report breaches of EU law," a directive that Italy definitively implemented with Legislative Decree no. 24 of March 10, 2023 (Implementation of Directive (EU) 2019/1937 of the European Parliament and of the Council of 23 October 2019 on the protection of persons reporting breaches of Union law and laying down provisions on the protection of persons reporting breaches of national legislation. (23G00032) (GU General Series no. 63 of 15-03-

2023), with the consequence that Article 6, paragraphs 2-ter and 2-quater, of Legislative Decree no. 231 of June 1, 2001, inserted by Article 2 of Law no. 179 of November 30, 2017, mentioned above, will be repealed by Article 23, paragraph 1, letter a) of Legislative Decree no. 24 of March 10, 2023 effective from July 15, 2023, as provided for by Article 24, paragraph 1, of the same Legislative Decree 24/2023.

Article 1 of the Decree specifies the relevant offenses:

- 1) administrative, accounting, civil, or criminal offenses
- 2) significant unlawful conduct according to Legislative Decree no. 231 of June 8, 2001
- 3) offenses falling within the scope of European Union or national acts
- 4) acts or omissions that harm the financial interests of the Union pursuant to Article 325 of the Treaty on the Functioning of the European Union
- 5) acts or omissions affecting the internal market.

It is also specified that the provisions of the Decree do not apply to:

- a) disputes, claims, or requests related to a personal interest of the reporting person or the person who filed a complaint with the judicial or accounting authorities that relate exclusively to their individual employment or public employment relationships or with hierarchically superior figures;
- b) reports of violations already regulated by mandatory European Union or national law;
- c) reports of violations relating to national security, as well as contracts related to defense or national security aspects, unless such aspects are covered by the relevant European Union derivative law.

This provision also regulates the protection from retaliatory conduct of so-called whistleblowers, i.e., individuals who report violations of which they have become aware in a public or private employment context.

In particular, Article 17 of the Decree specifies the cases of retaliatory conduct against those who report irregularities that are prohibited.

These include:

- dismissal;
- suspension, including disciplinary or similar measures;
- failure to promote or downgrade;
- change of duties;
- transfer;
- changes in working hours;
- ostracism, harassment, discrimination, and unfavorable treatment;
- failure to renew or early termination of fixed-term contracts.

The penalties are specified in Article 21 of the Decree and provides a range from €10,000 to €50,000.

The Decree strengthens the ANAC's power to intervene by expanding its areas of jurisdiction, the methods of intervention, by establishing the administrative pecuniary sanctions applicable in the event of violations being ascertained against all subjects to the new regulations. The penalties must be effective, proportionate, and dissuasive.

Without prejudice to other liability profiles, ANAC applies the following sanctions:

from €10,000 to €50,000 when it establishes that:

- retaliation has been committed;
- reporting has been obstructed or an attempt has been made to obstruct it, or the obligation of confidentiality has been breached;
- reporting channels have not been established or procedures for submitting and managing reports have not been adopted, or their adoption or implementation does not comply with the regulations;
- the verification and analysis of the reports received has not been carried out.

From €500 to €2,500 when it determines that the obligation to maintain confidentiality regarding the identity of the whistleblower has been violated.

The Decree therefore applies to the public and private sectors in the following cases:

- companies that have employed an average of at least 50 employees in the last year with permanent or fixed-term employment contracts;
- companies operating in European-regulated sectors (e.g., financial markets and credit, transport safety, environmental protection), even if they have not reached an average of at least 50 employees in the last year;
- companies that adopt organizational, management, and control models pursuant to Legislative Decree 231/01, even if they have not reached an average of at least fifty employees in the last year.

In particular, it should be noted that Article 6, paragraphs 2-ter and 2-quater, of Legislative Decree no. 231, inserted by Article 2 of Law no. 179 of November 30, 2017, above-mentioned, will be annulled by Article 23, paragraph 1, letter a) of Legislative Decree no. 24 of March 10, 2023, effective July 15, 2023, as provided for by Article 24, paragraph 1, of the same Legislative Decree no. 24/2023, and the following paragraphs will be replaced as follows:

<<2-bis. The models referred to in paragraph 1, letter a), provide, according to the Legislative Decree implementing Directive (EU) 2019/1937 of the European Parliament and of the Council of October 23, 2019, the internal reporting channels, the prohibition of retaliation, and the disciplinary system adopted pursuant to paragraph 2, letter e).

2-ter. The adoption of discriminatory measures against individuals who report as per paragraph 2-bis may be reported to the National Labor Inspectorate, for the measures within

its jurisdiction, not only by the reporting party but also by the trade union designated by the reporting party.

2-quater. Retaliatory or discriminatory dismissal of the reporting party is void. Changes in duties pursuant to Article 2103 of the Civil Code, as well as any other retaliatory or discriminatory measures adopted against the reporting party, are also void. In the event of disputes related to the imposition of disciplinary sanctions, downgrade, dismissals, transfers, or the reporting party's subjection to other organizational measures having a direct or indirect negative impact on working conditions, subsequent to the filing of the report, the employer has the burden to prove that such measures are based on reasons unrelated to the report itself.

Employers, both public and private, must establish procedures and communication channels to facilitate internal reporting, guaranteeing the anonymity and confidentiality of the reporting party and the documents produced.

Protection may also apply to self-employed workers, who are not employees but have a collaboration or consultancy relationship.

To this end, SAER ELETTROPOMPE has established specific channels, also for the purposes of the Whistleblowing legislation, which therefore allow the submission of any reports relating to violations of the Model and/or unlawful conduct pursuant to Decree 231/01, ensure the confidentiality of the whistleblower's, establish, within the context and strategy of the Group, an IT system for reporting illicit conduct, accessible via the following link <https://saerelettropompe.wallbreakers.it/#/> which offers the guarantees and protections required by law.

8. DIVULGATION AND KNOWLEDGE OF THE COMPANY MODEL

8.1. Staff Training

SAER ELETTROPOMPE S.P.A., through its General Management, promotes knowledge of the Organization and Management Model, its internal controls, and their updates among all employees. They are therefore required to be familiar with its contents, comply with it, and contribute to its optimal implementation.

The General Management is responsible to value training needs in this area as well, to conduct this analysis annually, and report the results in the company training plan.

These evaluations are conducted using evaluation forms, and all training sessions conducted are documented in a specific report.

8.2. Information for External Collaborators partners

SAER ELETTROPOMPE S.P.A. through its General Management, promotes knowledge and compliance with the Model among its commercial partners and external collaborators, who are not employees of the Company. They will be informed of the content of the Model from the beginning of the professional or business relationship.

9. UPDATING THE ORGANIZATIONAL AND MANAGEMENT MODEL

The adoption and effective implementation of the Model are the responsibility of the Board of Directors.

It follows that the power to approve any updates to the Model rests with the Board of Directors, which will do so by resolution in accordance with the procedures established for its adoption. Update, understood as both integration and revision of the Model, is aimed at ensuring the adequacy and suitability of the Model, valued with respect to its function to prevent crimes be committed provided by Legislative Decree 231/01.

The Supervisory Body, on the other hand, is responsible to update the Model, promoting this need to the Board of Directors.

Amendments, updates, and additions to the Model must always be communicated to the Supervisory Body.