

CODE OF ETHICS

Relating to the

MODEL OF ORGANISATION, MANAGEMENT AND CONTROL

**PURSUANT TO
ITALIAN LEGISLATIVE DECREE No. 231 OF 8 JUNE 2001**

INTRODUCTION

1. THE CODE OF ETHICS OF BIFI ITALIA S.R.L.

The code of ethics (hereinafter "Code of Ethics" or simply "Code") is one of the fundamental protocols for the establishment of a valid Model of Organization, Management and Control (hereinafter also "Model") pursuant to Legislative Decree No. 231/2001 (hereinafter also the "Decree") for preventing the perpetration of the crimes specified in the Decree.

Biffi Italia S.r.l. (hereinafter also simply "BiffiItalia" or the "Company") has therefore decided to draw up a Code of Ethics for the purpose of ensuring the highest possible ethical standards in pursuance of its business.

In accordance with the latest version of the Confindustria Guidelines dated 31 March 2008, the Code constitutes an integral part of the Model adopted by the Company, and highlights:

- the general ethical principles positively valued by the Company;
- the specific rules of conduct applicable to parties subject to the Code, and with which such parties must comply;
- the mechanism of communication, training and monitoring of the Code of Ethics.

This Code of Ethics is consistent with the provisions of the version of the *"Code of Business Conduct and Ethics – Win Right"* issued by parent company Pentair, which constitutes a guide to company policies and to the legal requirements that govern the conduct of Group companies (which remains a stand-alone document, however, and does not form part of the Model).

With particular reference to our country of operation, in the event of conflict between the provisions of the two Codes, the provisions of the Italian Code of Ethics shall prevail.

THE ADDRESSEES

The following parties adhere inderogably to this Code of Ethics:

- the members of the Company Bodies (hereinafter also "Directors" and "Auditors");
- managers, employees (hereinafter also "Personnel"), without exception;
- all parties which, although external to the Company, operate directly or indirectly for it (e.g. agents, intermediaries, contractors, consultants, suppliers and commercial partners, hereinafter "Third-Party Addressees").

All of the aforementioned parties shall be defined hereinafter collectively as "Addressees" and individually as "Addressee".

All Addressees shall be required to comply, and within the scope of their authority ensure compliance, with the Code of Ethics.

In particular, compliance with the provisions of the Code constitutes an essential part of the contractual obligations of Company personnel, pursuant to and by virtue of articles 2104 *et seq* of the civil code.

The infringement of the principles and rules of conduct laid down in this Code of Ethics compromises the relationship of trust with the Company, thereby entitling the latter to take appropriate disciplinary action and claim compensation for loss, without prejudice, for employees, to compliance with the procedures established in art. 7 of Law No. 300 of 20 May 1970 (the Workers' Charter), the applicable collective labor contracts and any corporate regulations adopted by the Company.

SECTION I. FUNDAMENTAL ETHICAL PRINCIPLES

The Company has identified the ethical principles that underpin all its decisions and activities.

The ethical principles listed below constitute the fundamental values to which all Addressees adhere in the performance of their duties and in pursuance of the company mission.

In no circumstances shall conduct in conflict with the principles established in this Code be justified by the belief that the conduct in question is to the benefit of the Company or the perpetrator.

I.1. Compliance with laws and regulations

Compliance with the laws, regulations and all legislative provisions in Italy and all the countries in which the Company operates constitutes an indispensable principle for Biffi Italia.

Addressees who perform their duties abroad must be conversant with the regulations in force in the country in which they operate.

In no circumstances shall ignorance of the applicable laws and regulations exonerate Addressees from responsibility.

I.2. Respect for personal dignity and impartiality

Respect for human dignity constitutes a priority for the Company. No discriminatory conduct based on political and union opinions, religion, race, nationality, age, gender, sexual orientation, state of health, economic status or any personal characteristic in general, shall be accepted.

I.3. Integrity

The Company demands compliance with the highest standards of individual and corporate integrity.

The Company does not approve or justify any threat or act of violence aimed at promoting conduct contrary to the legislation in force and/or the Code of Ethics.

I.4. Honesty

The Addressees of the Code must be aware of the ethical significance of their actions and must not pursue personal or corporate profit in violation of the laws in force or of this Code.

I.5. Propriety

In accordance with the rights of all parties involved in the Company, Addressees must act properly with a view to avoiding conflicts of interest, i.e. any situation in which the pursuit of personal interest conflicts with the interests and mission of the Company. Situations from which Addressees may gain undue profit and/or advantage from opportunities that come to their attention during or by virtue of the performance of their work duties are also to be avoided.

I.6. Transparency and verifiability of operations

The principle of transparency is based on the veracity, accuracy and completeness of information, both inside and outside the Company.

In accordance with the principle of transparency, all operations and transactions must be correctly recorded, authorized, verifiable, legitimate, coherent and congruous. In particular, it must be possible to verify the process of decision-making, authorization and performance.

All operations must be backed up by adequate documentary evidence so that the necessary checks may be performed at any time, to ascertain the characteristics of and reasons for the operation, and the identity of the persons who authorized, executed, recorded and verified the operation concerned.

I.7. Efficiency and excellence

In line with the Group's vision, the Company is committed to constantly improving its products and processes.

In keeping with the highest quality standards, economy of management and use of company resources must be pursued in all work activities.

The Company also undertakes to keep and safeguard company property and resources, and manage its capital and assets with all due precautions to ensure full compliance with the laws and regulations in force.

I.8. Business integrity. Fair competition

The Company acknowledges the value of competition based on principles of integrity, fairness and transparency in relation to the operators on the market, and strives, in accordance with the Group's guide to ethical conduct, to achieve a fair global market, by acting honestly and in accordance with the laws and regulations governing fair competition.

I.9. International trade. Relations with international operators

The Company undertakes to comply with all applicable international trade laws and regulations, including legislation covering the import and export of goods, software, technology, technical data and services.

To this end, checks on international trade are applicable to any import or export activity, including in relation to electronic data.

The Company also guarantees that all its relationships, including those of a commercial nature, with parties operating at an international level, are conducted in full compliance with the laws and regulations in force in Italy and in the foreign country in which the counterpart is based or operates its business.

In light of the above, the Company undertakes to take all the necessary precautions to verify the reliability of such operators, and the legitimate origin of the capital and resources used by the latter within the framework of relations with the Company. Stringent company procedures have been established for this purpose.

I.10. Protection of confidentiality and privacy

The Company undertakes to protect the privacy of the Addressees and other parties whose data comes into its possession, by acquiring, processing and storing personal information and data in accordance with the legislation in force, so as to prevent unauthorized use and/or dissemination thereof.

I.11. Service culture

The Company undertakes to ensure that the Addressees direct their conduct towards pursuing the company mission of providing a service of high social value and usefulness for the community, which must benefit from the highest standards of quality.

I.12. Product quality and safety

The Company aspires to achieve the highest standards of quality, safety and performance of its products. To this end, all data relating to quality are recorded precisely and completely.

I.13. Value of human resources and teamwork

The Company recognizes that its human resources play a vital role in its development.

The Company nurtures growth and professional development with a view to enhancing the pool of know-how at its disposal, in accordance with the legislation in force covering the rights of the individual, with particular reference to the moral and physical integrity of Personnel, and promoting an environment that encourages innovation, creativity and the achievement of results through teamwork.

The Company also undertakes to create and maintain a positive work environment, free from conduct that might even appear to be degrading, intimidating or offensive for the individual.

Biffi Italia does not in any way encourage patronage or nepotism, and undertakes to adopt, in line with the Group's ethical guide, policies aimed at promoting interaction and open, effective communication between human resources, full participation and career development.

Staff is exclusively hired based on regular work contracts. No illegal employment will be allowed.

I.14. Due and proper management of accounting processes

In accordance with the law, the Company complies with the principles of transparency, accuracy, veracity and correctness of accounting information, and endeavors to maintain a reliable administrative/accounting system that represents operations correctly and provides tools for identifying,

preventing and managing, as far as possible, risks of a financial and operational nature including by the appropriate training of the company personnel involved, in any capacity, in accounting operations.

Accounting records and documents must be based on precise, exhaustive information, and must reflect the nature of the operation to which they relate in accordance with external requirements (laws, accounting standards), and the company procedures established to regulate accounting processes. They must also be accompanied by the necessary documentary evidence, which must be traceable and consultable at all times, to allow the performance of objective checks and analyses.

The Auditors, both internal and external, must have free access to the data, documents and information necessary for the performance of their duties.

I.15. Responsibility towards the community

In pursuance of its business, the Company takes account of the requirements of the community within which it operates, contributing where possible to its sustainability.

I.16. Environmental protection

The Company recognizes the primary importance of the environment, and goes about its business in full compliance with the environmental laws and regulations in force.

On the basis of a "zero damage" vision of our planet, the Company therefore undertakes to take all the necessary action to protect the environment and eliminate all possible negative environmental impact.

I.17. Relations with local bodies and public institutions

Relations (whether contractual and/or relating to applications for and/or management of funding, contributions or public grants) with the Public Administration (local bodies and public institutions, including the regulatory authorities) and institutional interlocutors in general, whether Italian or foreign, are handled with the utmost clarity, integrity and propriety.

Relations with institutional interlocutors are maintained exclusively by the parties expressly assigned to them.

Should the Company be represented by a consultant or third party in relations with the Public Administration, the latter shall be bound by the same directives as apply to the Addressees.

Should conflicts of interest or even potential conflicts of interest exist, however, the Company must not appoint consultants or third parties to represent it in relations with the Public Administration.

All relations with parties classifiable as Public Officials or Public Service Officers must be conducted in full compliance with the laws and regulations in force, and with the Model and Code of Ethics, in order to ensure the absolute legitimacy of the operations undertaken by the Company.

I.18. Relations with associations, unions and political parties

The Company does not make contributions, either directly or indirectly, to political parties, movements, political and union committees and organizations, or their representatives or candidates, nor does it fund associations or sponsor events or conventions organized for the purpose of political propaganda, except in exceptional circumstances, which require due authorization in accordance with company procedures.

The Company may make contributions and donations to organizations dedicated to achieving social, moral, scientific or cultural goals, after rigorous vetting of the *bona fides* of the applicant, and in accordance with company procedures.

I.19. Protection of occupational health and safety

The Company is fully committed to pursuing the goal of safeguarding health and safety in the work place, and undertakes to comply with the health and safety legislation in force.

The Company undertakes to ensure that work processes are designed around human requirements, including in relation to the design of work stations and the choice of work equipment and production methods, with particular reference to attenuating the demands of monotonous and repetitive work, and reducing the health-impact of such work.

On the health and safety front, the Company also undertakes to operate in accordance with the following principles and criteria:

- to avoid risks;
- to assess risks that cannot be avoided;
- to combat risks at their source;
- to take account of technical evolution;
- to replace hazardous items and practices with non-hazardous or less hazardous items and practices;

- to plan adequate prevention initiatives, with a view to imposing a coherent approach that takes account of and integrates the organization of work, work conditions, social relations and the influence of factors relating to the work environment;
- to give priority to collective protection measures over individual protective measures;
- to give adequate instructions to Personnel.

The above principles are used by the Company for the purposes of identifying and adopting the necessary measures for safeguarding the health and safety of workers, including occupational risk prevention initiatives, information and training sessions, and the provision of the necessary organization and material resources.

I.20. Correct use of ICT systems

The Company makes every effort to ensure that correct use is made of information and communication technology services.

In order to protect its own interests and those of third parties, with particular reference to public authorities and institutions, the Company adopts appropriate measures to ensure the integrity and authenticity of the data it processes, to ensure that access to electronic data is regulated in full compliance with the legislation in force and with due respect for the privacy of the parties and confidentiality of the information involved, and to ensure that data is processed only by expressly authorized parties, and is protected against intrusion.

Specifically, the Company prohibits:

- unauthorized access to protected ICT systems;
- the destruction, deterioration, deletion or alteration of the information, data or IT programs of others, of the State or of any other public body;
- the production of false electronic documents, whether private or public, if admissible as evidence in court proceedings;
- the installation of devices intended to intercept, obstruct or interrupt communications relating to computer or ICT systems, or taking place between multiple systems;
- the theft, reproduction, distribution or unauthorized transmission of codes, passwords or other means of access to protect computer or ICT systems.

I.21. Protection of transparency in commercial and financial transactions

The Company is committed to upholding the principle of transparency in commercial transactions, and avails itself of the most appropriate tools to combat the handling and laundering of money of illicit origin.

The principles of integrity, transparency and good faith must be upheld in relations with all parties, including other members of the Pentair Group.

The same principles and criteria guide the Company in all commercial relationships and financial operations with foreign parties and operators.

I.22. Prohibition of counterfeiting bank notes, coins, credit cards and postage or revenue stamps

Producing, holding, spending or bringing into circulation, in any way, counterfeit or altered bank notes, coins, credit cards or postage and revenue stamps is prohibited. Should any addressee suspect or become aware of any act of alteration or counterfeiting, they must inform their line-manager or the Supervisory Body (hereinafter also "SB") directly.

I.23. Protection of the person

Biffi Italia recognizes the need to protect individual freedom in all its forms, and condemns any act that may involve the exploitation or subjection of any individual, or any act of child pornography and/or prostitution. The Company also recognizes the prime importance of protecting minors and believes in the repression of any form of work exploitation, regardless of it being child labour or not (including the use of computer or ICT networks).

In all its activities, therefore, with particular reference to trade relations with "high-risk" countries, the Company takes all the necessary precautions to avoid the possible perpetration of crimes or worker exploitation in any form.

I.24. Rejection of terrorism

The Company rejects all forms of terrorism and undertakes not to enter into any work or trade relations with natural or legal persons involved in terrorist acts, or to finance or in any way facilitate the activity of the latter.

I.25. Rejection of criminal organizations

The Company condemns all forms of national, transnational or international criminal organization. As such, the Company takes the necessary precautions to prevent the risk that it or any of its employees might become involved in relationships and activities entered into with such organizations, for any reason and by any means, including in the form of mere aid and assistance.

The Company does not therefore enter into work or trade relations or partnerships with natural or legal persons involved directly or indirectly in criminal organizations, or linked in any way by family bonds or other affinities with members of known criminal organizations, and does not finance or in any way facilitate any activity attributable to such organizations.

I.26. Protection of industrial and intellectual property rights

In accordance with legislation governing the protection of brands and other distinguishing marks, and patents and copyright, the Company does not permit the use, for any reason or purpose, of products bearing counterfeit brands or marks, or the manufacture, sale or any other act relating to products already patented by third parties.

Furthermore, Biffi Italia:

- takes the necessary steps to verify the presence of the S.I.A.E. mark on intellectual creations, i.e. to ascertain that such items do not bear an altered or counterfeit mark;
- prohibits the reproduction of computer programs and the contents of databases, and the appropriation and diffusion, in any form, of protected intellectual creation, including by revealing their content before such content is published.

I.27. Protection of trade, industry, competition and the free market

The Company recognizes the fundamental importance of protecting competition in the free market and adhering to principles of honesty and integrity in business. As such, it undertakes to go about its business without manipulating, in any jurisdiction or in any manner, the freedom of trade and the market, and undertakes to cooperate with the market's regulatory authorities.

The Company therefore prohibits collusive and predatory conduct, conduct contrary to principles of professional integrity, threats, violence and abuse of dominant position, and any other conduct intended to subvert the fairness and balance of competition on the market, or deceive consumers with regard to the origin, place of manufacture and quality of products.

I.28. Cooperation with the Authorities in the event of investigations

Integrity and propriety in its relations with the competent authorities represent a fundamental value for the Company.

The Company therefore prohibits any conduct aimed at or likely to interfere with investigations or inquiries undertaken by the competent authorities (whether domestic or foreign) and, in particular, any

conduct aimed at obstructing the search for the truth, including by inducing persons called upon by the judicial authorities to refrain from making statements or to make false statements.

Biffi Italia undertakes to adopt all the necessary measures to provide the cooperation required by the authorities, within the limits and in compliance with the legislation in force.

This commitment to cooperate also extends to any foreign authorities that may request information or conduct inquiries.

I.29. Relations with private individuals

BiffiItalia highly values its relations with private individuals (suppliers, competitors, clients, consultants, business partners, etc.). It firmly believes in the fundamental and indispensable value of these relations based on trust, fairness and loyalty.

SECTION II. RULES OF CONDUCT

II.1. Rules of conduct for members of the company bodies

As well as abiding by the law and the articles of association, the members of the company bodies are required to abide by the provisions of the Model and the Code of Ethics that forms a part thereof.

In particular, the company bodies must:

- act in accordance with the principles of autonomy, independence and integrity, both in their relations with public institutions and private entities (including international operators);
- base their conduct on principles of integrity, loyalty and a sense of responsibility towards the Company;
- keep themselves well informed about and take part assiduously in the meetings and activities of the company bodies;
- refrain from action in situations of conflict of interest;
- facilitate the activities of control and/or auditing by the shareholders, other company bodies, including the Supervisory Body (hereinafter also "SB") and the audit company;
- maintain the confidentiality of information that comes into their possession by virtue of their office, and avoid using their position to obtain personal advantage;
- within their own sphere of competence and within the limits of their responsibilities, abide by the rules of conduct for Personnel stipulated in para. II.2 below.

II.2. Rules of conduct for personnel

In addition to the above, Personnel employed by the Company (hereinafter also simply "Personnel"), must also adhere to the rules of conduct established below.

II.2.1. Conflict of interest

In accordance with the general ethical principles of the Company, Personnel must avoid performing, or even merely facilitating, operations that conflict with the interests of the Company, and acts that might interfere with their capacity to take impartial decision in the best interests of the Company and in full compliance with this Code.

Should they find themselves in a situation of conflict of interest, even if only potential, Personnel must notify the competent company functions of the circumstances, in accordance with internal procedures, and refrain from taking any action.

II.2.1. a) External work

Should Personnel be given permission (by their line-manager in accordance with company procedures) to perform work on behalf of companies other than Biffi Italia, such work must never interfere with their responsibilities towards the Company.

In no circumstances, however, may external work be performed for the Company's competitors, or involve the use of tools, vehicles or any other property belonging to the Company.

II.2.1. b) Family and personal relationships

It is not permitted in any circumstances (unless authorized in advance in accordance with company procedures) to recruit, supervise or have influence within the Company over a family member or person with whom a close personal relationship exists.

Should a family member be party to a relationship with the Company (e.g. as a supplier or customer), or is an employee, a member of the Board of Directors, or a shareholder or investor of a company that has a business relationship with Biffi Italia, it is the duty of the Personnel concerned to inform their line-manager (who will then inform the Supervisory Body).

II.2.1. c) Financial investments

Personnel who, either directly or through a family member, have a substantial financial interest (major equity investment) in the business of a supplier, customer, consultant or competitor of the Company, have a duty to inform the Head of Human Resources accordingly.

II.2.2. Relations with Public Officials and Public Service Officers

Company Personnel who, in pursuance of their duties, have relations with institutional interlocutors and hence with persons classifiable as Public Officials or Public Service Officers, must act in accordance with the legislation in force and with the provisions of this Code, in order to preserve the Company's image and the legitimacy of its work.

In any negotiations or relations with the Public Administration, it is expressly forbidden for all Personnel to accept, offer or promise, either directly or indirectly, money, gifts, goods, services, benefits or favors (including in terms of job opportunities or by means of activities - whether commercial or otherwise - directly attributable to the employee), in connection with relationships with Public Officials or Public Service Officers, that may influence their decisions, with a view to obtaining more favorable treatment or undue services, or for any other purpose, including the performance of acts of office.

If connected with the aforementioned relationships, any requests for or offers of money, gifts (with the exception of gifts of modest value, i.e. of the type typically given in the circumstances concerned, consistent with applicable customs in the specific legislative and social context, and with the laws in force, provided that they can in no way be seen as inducements to grant favors), or favors of any type made to or received from Personnel and parties who perform their duties in the interest of the Company, must be promptly reported to their line-manager or the Supervisory Body.

Free gifts and acts of courtesy towards Public Officials, Public Service Officers or public employees of any type, are permitted only if, being of modest value, they do not compromise, in any way, the integrity and independence of the parties, and cannot be interpreted as instruments for obtaining undue advantage.

In the course of negotiations or any other relationship with the Public Administration, the Personnel and parties who perform their duties in the interest of the Company must refrain from undertaking, either directly or indirectly, any acts aimed at:

- offering opportunities of employment or business opportunities, from which they may derive advantages, for themselves or for others, to employees of the Public Administration or to their relatives or family members;
- soliciting or obtaining confidential information that may compromise the integrity or reputation of one or both parties.

Personnel and parties who perform their duties in the interest of the Company are required to cooperate with the Public Authority in the event of inquiries, inspections or requests for information on the part of the latter.

If an activity involving contact with a member of the Public Administration is performed by a party external to the Company, the employee tasked with liaising with that party must ensure, within his or her own sphere of competence, that the ethical principles outlined above are complied with.

II.2.3. Relations with suppliers

Personnel who, by virtue of their office, have contact with suppliers, must act with the utmost transparency and integrity.

In particular, favoritism must not be practiced in any circumstances and the principles established in the appropriate procedures must be adhered to.

Personnel are forbidden from receiving donations, awards, benefits (even in the form of promises), free gifts, and acts of courtesy or hospitality, unless of negligible value (e.g. corporate gadgets).

The Company selects its suppliers on the basis of transparent, objective criteria (such as competitiveness, quality and economic terms) in accordance with the legislation in force and with internal procedures.

Suppliers are also selected according to their ability to:

- comply with the Code of Ethics;
- implement adequate quality systems, where applicable;
- provide suitable resources and organizational units;
- comply with labor laws, including in connection with child labor, female employment, occupational health and safety, union rights and rights of association and representation.

Specific procedures are in place for documenting the entire selection and purchasing process, with a view to ensuring the utmost transparency in the assessment and selection of suppliers.

The above rules of conduct also apply to relations with international operators.

II.2.4. Participation in tenders

Whenever the Company takes part in tendering procedures and/or restricted negotiations, whether called by private or public entities, the principles of integrity, transparency and good faith must be adhered to, and care must be taken to ensure that all documentation produced and/or data and information supplied to the contracting party are true.

In all cases, and with particular reference to public tendering procedures, clear and proper relations must be maintained with the contracting authority, and any conduct that might compromise the freedom of judgment of the competent functionaries must be avoided.

Should the contract be awarded to the Company, all business relations with the Principal must be conducted with transparency and integrity, and contractual duties must be diligently fulfilled.

II.2.5. Relations with customers

Personnel must maintain proper, transparent relations with customers.

The primary objective of all employees/directors must be that of satisfying the customer.

Personnel must not in any circumstances abuse their authority or position in negotiations, and in relations with customers in general.

In particular, Personnel are forbidden from receiving donations, awards, benefits (whether direct or indirect, and even in the form of promises), free gifts, and acts of courtesy or hospitality, unless of negligible value (e.g. corporate gadgets).

Any donations and/or benefits and/or utilities of any type (with the exception of those of modest or negligible value) made by or to Personnel in connection with relations with customers must be promptly reported to the line-manager, and by the latter to the Supervisory Body, or directly to the Supervisory Body.

The above rules of conduct also apply, and must therefore be adhered to, in relations with international operators.

II.2.6. Diligence in the use of Company goods and resources

Personnel must protect and safeguard any Company-owned goods and valuables entrusted to them, and avoid situations that might impact negatively on the soundness and safety of Company property.

The use of company property or resources assigned to personnel, for purposes not connected with company business is prohibited.

II.2.7. Diligence in performance of duties

All employees, within the scope of their duties and in compliance with the limits established by the legislation in force, must:

- develop their know-how and professional skills by all available means;
- contribute to the professional development of their colleagues;

- take decisions and assume risk according to principles of sound and prudent management, ensure that resources are used economically and efficiently in accordance with the law and with internal procedures, and make correct use of procedures and the risk control system; when called upon to manage credit and business relations in general, they must do so in accordance with the mandates assigned to them, and in any event with a view to safeguarding company assets;
- consider the company's results to be their own responsibility and own source of satisfaction;
- use complaints and/or feedback from customers aimed at suggesting improvements to procedures and services as opportunities for bringing about improvements.

II.2.8. Confidentiality

Personnel are forbidden from disclosing confidential information or industrial secrets (e.g. financial data, company strategies, planned operations) to unauthorized third parties, even after the expiry or termination of their contract of employment.

Personnel are also forbidden from making direct or indirect use of confidential company information for their own advantage or the advantage of third parties, or to the detriment of the Company, even after the expiry or termination of their contract of employment.

Personnel are required to ensure that third parties are denied access to confidential information (protection against industrial espionage).

As part of the principle of confidentiality, considerable importance is attributed to the protection of personal data, i.e. any information relating to a natural or legal person, entity or association, identified or identifiable, even indirectly, by reference to any information, including a personal identification number.

II.2.9. Prohibition of disclosure and use of price-sensitive information

The Addressees are required not to disclose either internally (to colleagues) or externally, any price-sensitive information (i.e. news not yet made public, pertaining to, for example, corporate operations such as acquisitions, spin-offs, company information of a financial nature, etc.) that may come to their attention either directly, by virtue of their office or the duties they perform, or indirectly via the communications of others.

Personnel are also forbidden from buying or selling shares or performing financial operations relating to securities of the Company or other Pentair Group companies, on the basis of such information.

II.2.10. Management of ICT systems and use of digital data

Within the limits of their own functions/duties, Personnel are responsible for the security of the ICT systems they use and are required to comply with the legislation in force and with the respective licensing agreements.

It is therefore forbidden for Personnel to load borrowed or unauthorized software onto company systems, and to make unauthorized copies of programs distributed under license, for personal, company or third-party use.

Without prejudice to civil and criminal laws, Personnel are also required to refrain from sending threatening or defamatory emails, and using language inconsistent with the Company's style, or, in any event, of low level.

Similarly, Personnel must not generate such a volume of data traffic on the Company's ICT network as to noticeably reduce efficiency, with negative impact on the Company's relational and production capacity.

Personnel must not browse internet sites containing improper or offensive material, and must adhere rigorously to company security policies, so as not to compromise the functionality and protection of company information systems.

Personnel undertake to take all due care to prevent the possible perpetration of crimes through the use of IT systems.

With reference to the digital data content, even when transcribed onto appropriate supports, Personnel must ensure that the information is precise, complete and true, in the same way as for paper documents.

II.2.11. Management of disputes and arbitration

Personnel assigned to manage judicial and extra-judicial disputes, and arbitration proceedings, must adhere rigorously to the principles set out in the appropriate company procedures.

Relations with consultants and counterparties must be transparent and consistent with the principles of fairness and integrity. In no circumstances is it permitted to act in a manner inconsistent with these principles in the mistaken belief that doing so may procure an advantage for the Company.

II.2.12. Management of environmental initiatives and environmental respect

As well as adhering to the relevant legislation, Personnel involved in the management of environmental initiatives must also carefully check the veracity and accuracy of information given in documentation

prepared for the purpose of obtaining authorizations/licenses, and act in a cooperative, transparent and fair manner, in the event of inspections/audits called by the Public Administration.

Staff shall always respect the environment when carrying out their duties at the company, before any other economic consideration.

Furthermore, staff shall:

- contribute, insofar as it can, to the achievement of company objectives regarding environmental safeguard;
- always consider the effect their actions may have on environmental safeguard;
- not behave in such a manner that might negatively affect the environment, according to training and experience, as well as information and instruments provided by the employer;
- not voluntarily carry out operations or tasks which are not part of their role or any tasks which might damage the environment;
- adopt measures which aim to reduce the harmfulness of waste;
- ensure the protection of the ground and underground, preservation of the territory and surface, ground and sea waters;
- take all outlined precautions to reduce and limit air pollution to a minimal amount and contain emissions below the threshold established by law;
- respect procedures which prevent natural emergencies to limit damage should they actually occur.

II.2.13. Occupational health and safety

With regard to occupational health and safety, Company Personnel must:

- a. take care of their own health and safety, and that of the other persons present in the work place;
- b. contribute to the fulfillment of the duties established for the purposes of protecting health and safety in the work place;
- c. observe the orders and instructions given by the employer, executives and managers, for the purposes of collective and individual protection;
- d. make correct use of work equipment, hazardous substances and preparations, means of transport and safety equipment;
- e. make appropriate use of the protection equipment placed at their disposal;
- f. immediately notify the employer, executive or manager of any shortcomings in the devices or equipment indicated in d) and e), or any hazardous condition which may come to their attention, and take direct action, in urgent cases, within the scope of their own skills and capacities, without prejudice to the obligation established in g) below, to eliminate or reduce situations of serious or imminent danger, and to notify the workers' safety representative;

- g. refrain from removing or modifying safety, signaling or monitoring devices, without authorization;
- h. take due care of the personal protection equipment issued to them, refrain from making any modifications to it of their own initiative, and report any defects or problems connected with it to the employer or director or line-manager;
- i. refrain from performing at their own initiative any operation or maneuver not within their sphere of competence or which might compromise their own safety or that of others;
- j. participate in the training and instruction programs organized by the employer;
- k. undergo the health checks envisaged by the legislation in force, or ordered by the competent doctor.

II.2.14. Measures to combat handling and laundering

Company personnel, and parties who work on behalf of the Company, adopt all appropriate tools and precautions to ensure transparency and integrity in commercial transactions and relationships.

In particular, it is obligatory that:

- appointments assigned to services companies and/or natural persons who look after the economic/financial interests of the Company be established in writing, with details of the contents and economic conditions agreed;
- the competent functions check that payments to all counterparties are made duly and properly, including by verifying that the party to whom the payment order is made, is the same as the party who banks the sums concerned;
- checks are made of financial flows connected with relationships (payments/intra-Group operations) with Group companies (including those located abroad);
- the provisions of the law against money laundering (Legislative Decree 231/2007 and subsequent amendments and additions), covering restrictions on the use of cash, are adhered to;
- the minimum requirements established and requested for the purposes of selection of the parties offering the goods and/or services that the Company intends to purchase are rigorously adhered to;
- criteria are established for assessing quotes;
- with reference to the commercial/professional reliability of suppliers and partners, all the necessary information is requested and obtained;
- in the event of conclusion of agreements/joint ventures aimed at making investments, the utmost transparency is ensured.

II.2.15. Fulfillment of requirements relating to accounting records

Personnel must pay particular attention to the preparation of financial statements and other company documents.

In this regard, the following are necessary:

- adequate collaboration with the company functions in charge of preparing company documents;
- the provision of complete, clear, accurate data and information;
- compliance with financial reporting standards.

II.2.16. Corruption among private individuals

Staff is strictly prohibited from carrying out any act of instigation, promises, exploitation, offers, of money or other benefits, either directly or indirectly, to a private individual (suppliers, clients, agencies, business partners, consultants, etc.) for carrying out (or not) specific tasks in blatant breach of his professional and confidential obligations with the aim of receiving an advantage of any nature for the company and/or for himself and/or for third parties, regardless if this act takes place or not.

In the same manner, staff cannot accept money or any other economic benefits on behalf of the company and/or for their own use and/or on behalf of third parties should this result in them carrying out an act within their role.

Gifts of average value can be given/accepted as long as they respect company policy.

II.3. Rules of conduct for third-party addressees

As well as applying to Personnel and members of the company bodies, this Code of Ethics also applies to third-party addressees (as defined in the introduction) within the limits of their respective competencies and responsibilities, reference ethical principles (see Section I) and the rules of conduct established for Company Personnel (see Section II).

Third-party Addressees must formally undertake to adhere to the Code of Ethics (as well as the Model), and should they fail to declare such a commitment, the Company shall not enter into and/or pursue any relationship with them.

In accordance with best practices, contracts and letters of appointment engaging Third-Party Addressees shall include clauses and/or the signing of declarations aimed both at formalizing the contractor/appointee's commitment to complying with the Model and the Code of Ethics, and at governing contractual sanctions in the event of breach of this commitment, as established in the Disciplinary System adopted by the Company.

SECTION III.COMMUNICATION, TRAINING AND IMPLEMENTATION OF THE CODE OF ETHICS. MONITORING AND CONTROL

III.1. Dissemination of the Code of Ethics

The Company undertakes to ensure the punctual dissemination of the Code of Ethics, to both internal and external addressees, by means of:

- distribution to all Personnel and members of the company bodies;
- posting in a location that is accessible to everyone, and publication on the company intranet;
- issue to Third-Party Addressees and any other interlocutors.

III.2. Training

The Company promotes and monitors the implementation of regular training initiatives covering the Code of Ethics. These are planned in consideration of the need to differentiate training content according to the roles and responsibilities of the resources involved, essentially by providing more intensive and in-depth training for people classifiable as "top management" under the terms of the Decree, and people operating in areas classifiable as "subject to the risk of crime" on the basis of the Model.

Personnel may, however, contact the Supervisory Body at any time, by post at Località Caselle San Pietro, 29017 Fiorenzuola d'Arda (PC), marking their letter to the attention of the Supervisory Body, by email at **odv@biffi.it**) and orally, to request relevant information and clarifications.

III.3. Monitoring and control

The implementation of and compliance with the Code of Ethics must be constantly monitored by the Supervisory Body, which must in particular:

- verify compliance with the Code of Ethics by Addressees;
- make observations regarding any ethical issues that may arise within the framework of company decisions;
- respond to the requests of interested parties for explanations and clarification regarding the interpretation of the Code, or the legitimacy of an instance of their own conduct or the conduct of others;
- stimulate and coordinate the updating of the Code of Ethics, including by means of proposals for changes and updates;
- promote and monitor the implementation of communication and training activities regarding the Model and the Code of Ethics, ordered by the Company.

III.4. Reporting infringements

Should any party bound by the Model and by this Code of Ethics learn of a matter that they believe constitutes an infringement or potential infringement thereof, they must report the matter promptly to the Supervisory Body.

Information regarding non-compliance with the Model or the Code of Ethics can be sent through the following channels:

- by email to a dedicated address (**odv@biffi.it**), which can also receive reports in anonymous form, i.e. in which it is not possible to trace the identity of the sender;
- by post, in either signed or anonymous form, to: Località Caselle San Pietro, 29017 Fiorenzuola d'Arda (PC), to the attention of the members of the Supervisory Body.

The Supervisory Body shall, in any event, act in such a way as to ensure that persons submitting information do not become subject to reprisals, discrimination or penalization of any kind, and as such, shall safeguard the confidentiality of such parties.

III.5. Infringements and sanctions

With regard to the classification of infringements of the Code of Ethics, the applicable sanctions, and the procedure for charging suspects with infringements and issuing sanctions to those found guilty, the Company, in accordance with the requirements of Legislative Decree 231/2001 and the suggestions of Trade Associations, has drawn up a Disciplinary System, and approved it in conjunction with the Model.