

CODE OF CONDUCT



Approved by Fagioli S.p.A. Board of Directors on the 28/05/2019

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Fagioli bases its conduct and global development on a solid and long-lasting reputation which is built on strong values in terms of ethics, behaviour and sustainability; these values are shared with every employee and every employee within the Group adheres to the values with a proactive and value carrier attitude.

In accordance with the specific requirements of the market in which the Company operates, this Code of Conduct describes the values, principles and rules applicable to all subjects within Fagioli on which the Company has built its growth and its relationships based on trust with customers, business partners, employees and external partners.

The Code of Conduct is one of the tools adopted autonomously and on a voluntary basis to express and to apply social responsibility within the Company; it helps the implementation of behaviour practices and allows those who work with or for the company to have a reference point, a guide in pursuing the purposes of integrity and fairness shared by common morality and the specific peculiarities of every single country in which Fagioli operates.

The rules of this document have as a primary condition the compliance with every law and the adoption of an ethic and fair conduct by all the Company employees and all those working with the Company, even only occasionally.

This Code of Conduct is meant as a reference model for all those working with Fagioli as they have to adapt their behaviour to the principles of loyalty and honesty already shared with the Company, and to which all the other Group companies must also comply with.

All employees must keep in mind that any violation of the values, principles and rules of the Code of Conduct may have detrimental consequences (both with regard to individuals, and towards all Fagioli employees) and damaging the reputation of the Company.

Consequently every employee must:

- carefully read, learn and act in full compliance with the values, principles and rules of the Code of Conduct during their daily activities;*
- immediately ask for the assistance of the direct manager or ethics manager, in case of doubts or questions regarding the application of the Code of Conduct.*

Fabio Belli
CEO

THE VALUES OF FAGIOLI SPA

- HEALTH & SAFETY

Working in full compliance with health and safety principles is our priority. In their respective areas of work, each of us receives the necessary tools and training to operate safely.

Our main target is to reduce the risks for our personnel, customers and communities where we operate in the world.

- CUSTOMER SATISFACTION

Customer satisfaction is our goal.

We listen to the customer's needs, we provide safe and innovative solutions based on the highest quality standards.

We promote a common growth based on relationships of mutual trust.

- RESPONSIBILITY AND RESOURCEFULNESS

Fagioli employees think and act as if the company were their own. We seek new opportunities and new challenges, aiming ambitious targets and continuous improvement. We take responsibility for our actions and decisions with the target of achieving positive results for the company. We treat the people we relate to and resources we have with the utmost care and attention. The success of the company is our success.

- PROFESSIONALITY AND PASSION

Who relies on our services can count on reliable professionals: we put passion, know-how and excellent skills to successfully complete what we do. We want to constantly enrich our knowledge to guarantee the best service.

- SENSE OF BELONGING AND RESPECT

We believe in the value of the versatility of experiences, ages and cultures. We are committed to enthusiastically cooperating and constructively communicating to generate an atmosphere of serenity and mutual trust. We act with transparency, loyalty, honesty and fairness and we promote relationships based on mutual respect amongst colleagues, collaborators, customers and suppliers.



1. INTRODUCTION

This document, entitled Code of Conduct, is a part of the Organisation, Management and Control Model of FAGIOLI SPA; it describes ethical commitment and responsibilities while conducting company business and activities by the directors, employees of the Company and by all those who hold offices of representation, administration, management or control of the Company or its autonomous business units.

FAGIOLI SPA drawn up the present Code of Conduct in order to clearly identify principles and values inspiring the pursuit of its scope and to ensure its observance by highlighting the appropriate way to enable their respect.

FAGIOLI SPA target is to work constantly in compliance with the principles of honesty and legality, the protection of the health and safety of workers and the protection of the environment.

FAGIOLI SPA consequently promotes within its employees the commitment to comply with these principles with the aim to guarantee safe working conditions and the improvement of the life quality in all working places, through the identification of technical and organizational measures.

With regards to freelance workers and consultants that carry on their activities for **FAGIOLI SPA** as well as for other third parties (i.e. Partners, suppliers, etc.), the undersigning of this Code or part of it represents a necessary condition in the drawing up of contracts of any nature with the FAGIOLI SPA; the provisions so signed form an integral part of the contract itself.

2. SCOPE AND PURPOSES OF THE CODE OF CONDUCT

This Code of Conduct applies to all FAGIOLI SPA employees, managers and directors, and to all those working with the organisation to achieve its goals, even on the basis of temporary contractual relationship and it is consequently binding on behaviours of all its consultants, agents and/or distributors. In addition, FAGIOLI SPA requires all major suppliers to comply with the general principles of this Code.

These subjects are required to understand and observe this Code of Conduct and any updates thereto. In particular, the compliance with the provisions of the Code of Conduct is an integral and essential part of the contractual obligations of the employment relationship and the contractual regulations in general; any infringement of the aforementioned provisions could lead to the breach of the employment relationship and/or collaboration, and may also include legal consequences.

This Code of Conduct is a part of the Organisation, Management and Control Model of **FAGIOLI SPA** and has been adopted by the Board of Directors with the resolution of 20th December 2018.

The Board of Directors is also empowered to make any modification, integration and/or updating upon recommendation of the Supervisory Body or the initiative of each Board member.

In order to ensure a proper understanding of and compliance with the values and principles contained in this Code of Conduct, **FAGIOLI SPA** commits itself to spread its contents to all interested parties through appropriate periodic information activities as well as through specific procedures aimed at ensuring their knowledge for those who enter into any contractual relationship with the Company.

3. FAGIOLI GENERAL PRINCIPLES AND INSPIRATIONAL VALUES

FAGIOLI SPA, as well as its directors, executives, employees, consultants, external collaborators and all people which this Code of Conduct refer to, inspires its activities to comply with laws and regulations that apply in the territorial area in which Fagioli operates.

The principles of honesty, legality, integrity, fairness and mutual respect, which represent the inspirational criteria for all business activities, are based on relationships with and among all **FAGIOLI SPA** stakeholders.

FAGIOLI SPA promotes respect for the physical, moral and cultural integrity of the person, refraining from any discrimination based on age, sex, sexuality, health and physical integrity, race, nationality, religious and politic beliefs. Likewise, the activities and behaviours of its directors, employees, external consultants, and collaborators must avoid any discrimination.

3.1. HONEST AND LAWFULL CONDUCT

Honesty is the prime principle for all **FAGIOLI SPA** activities, and is the essential value of organizational management.

All relations with stakeholders must be based on criteria and behaviours of fairness, collaboration, loyalty and mutual respect.

In no case the pursuit of **FAGIOLI SPA's** interest can justify an unfair conduct.

As part of their professional activity, **FAGIOLI SPA** employees are required to comply with diligence, laws and regulations in force, ethics and internal regulations.

Any breach of this principle must be immediately reported to the Supervisory Body.

3.2. INTEGRITY

Integrity is an important element of corporate assets and is a strong guarantee of the company engagement with all employees, suppliers, Customers and stakeholders.

Compliance with this principle is achieved by applying the law and following the rules of moral integrity in every sector of activity and in every circumstance.

FAGIOLI SPA does not tolerate any breach of this principle and discourages any corruption act in any way.

Any breach of this principle must be immediately reported to the Supervisory Body.

3.3. FAIRNESS IN BUSINESS TRANSACTIONS

Every transaction must be properly registered, authorized, verified, legitimate, consistent and coherent. All actions and operations of **FAGIOLI SPA** must have proper recording and archiving and the process of decision-making, authorization and execution must be verifiable.

Any breach of this principle must be immediately reported to the Supervisory Body.

3.4. HUMAN RESOURCES VALUE

FAGIOLI SPA's employees play a crucial role for its success.

For this reason, FAGIOLI SPA protects and promotes the value of human resources by providing the appropriate professional training in order to improve and develop the assets and competitiveness of the skills of each employee.

Any breach of this principle must be immediately reported to the Supervisory Body.

3.5. CONFIDENTIALITY

Confidentiality is one of the prime values to comply with in the company's business operations, as the Company reputation is dependent on it.

All information and data held by FAGIOLI SPA are handled in compliance with current privacy law and it is absolutely forbidden for administrators, executives, employees, consultants, and collaborators to use this information and data for personal purposes or for other purposes than those allowed, and to use information or news for personal benefit or for a third party.

Both employees and consultants are required to take appropriate measures to ensure that any information they acquired during their work and/or professional activity is kept secret. Without express permission, such information may not be disclosed to third parties in any way. For this aim, directors, executives, employees, consultants, and external collaborators must comply with the regulations related to patents and copyrights.

Any breach of this principle must be immediately reported to the Supervisory Body.

4. GENERAL STANDARDS OF CONDUCT

4.1. FIGHT AGAINST UNLAWFUL CONDUCT

Pursuant with the values of honesty and transparency, the Company is committed to implement all necessary measures to prevent and avoid any illicit and unlawful conduct. In particular, it is forbidden to pay money or practice other forms of corruption in order to obtain direct or indirect benefits for the Company, as further specified in paragraph 5.8 above.

It is also forbidden to accept gifts or favours by third parties that exceed the normal rules of hospitality and courtesy.

4.2. STAFF RECRUITMENT

The staff to be recruited is evaluated on the basis of the comparison of the candidates' profiles with the Company expectations and needs, always respecting equal opportunities for all stakeholders.

The required information is closely linked to the verification of the professional profile and psycho-attitude, respecting the candidate's private sphere and belief.

Within the limits of the available information, the Human Resources Department shall take all appropriate measures to avoid favouritism, nepotisms or forms of clientelism in the selection and recruitment phases (for example, ensuring that the recruiter has no family relations with the candidate) and conflicts of interest.

FAGIOLI SPA is also committed not to promote any candidates that have been recommended by third parties and in particular by the Public Administrations, or Company customers. In the event any candidate has been recommended to Company Directors/Managers/Employees by members of the public administrations, the Supervisory Body shall be immediately informed and shall carry out the investigations it deems appropriate.

4.3. ESTABLISHING THE EMPLOYMENT CONTRACT

All personnel is hired with a regular employment contract; no form of irregular work is tolerated. When establishing the employment contract, each employee is given accurate information about:

- Code of Conduct;
- role and tasks to be performed;
- legal and remunerative elements, as regulated by the national collective employment agreement;
- rules and procedures to be taken to avoid possible health and safety risks associated to the working activities.

Such information is submitted to the employees so that accepting the assignment they also confirm its comprehension.

4.4. PERSONNEL MANAGEMENT

Company managers and supervisors have the responsibility of ensuring equal opportunities in managing employment relationships, maintaining non-discriminatory workplaces, ensuring fair-based treatment based on merit criteria, and identifying and promptly resolving any issues that may arise.

Each manager is required to enhance the employees working time requiring performances that are consistent with the execution of their duties and work organization plans.

Arbitrary use of authority is represented by requesting to the hierarchical superior an act of personal performance or favours or any behaviour that constitutes a violation of this Code.

Each employee must act in a fair manner in order to comply with the obligations under the employment contract and the provisions of this Code, and is obliged to report any violation of the rules of behaviour established by the internal policy.

Employee is also required to actively participate in creating a serene and collaborative environment in the working place.

4.5. HEALTH AND SAFETY

This section of the "Code of Conduct" aims to highlight the Company's strategic scope of constantly working for taking reasonable care of the occupational health and safety of its employees and to notify the principles of safety and health that the company has set as base of its business.

Together with the employees training and involvement activities, the correct application and compliance with the current laws and regulations represents the necessary tools for the preservation and improvement of working conditions and the environment to ensure the the health and safety of workers, employees and third parties.

Employees, managers, and executives are required to know, observe and promote the principles contained in the Code of Conduct by involving and motivating their collaborators.

Each employee is required to know the Code of Conduct and to actively contribute to its application and circulation.

FAGIOLI SPA is committed to publish and share this Code of Conduct at all business levels and to provide any clarification, if necessary.

FAGIOLI SPA decisions on health and safety at work are inspired by the following principles which are duly communicated to all interested parties:

- Risk elimination; where this is not possible, risk mitigation;
- Risk assessment;
- Reduction of risks source;
- Work adapting to man: choice of adequate work equipment and working methods and production, mitigation of repetitive work and reduction of the health effects of these work;
- Monitoring of new technology;
- Replacement of dangerous tools/practice with less or no dangerous tool/practice;
- Planning of preventive actions;
- Prioritizing collective protection measures over personal protection measures;
- Providing appropriate instructions and training to the workers.

For this reason FAGIOLI SPA implements technical and organizational interventions through:

- a continuous risk analysis and processes criticality;
- continuous improvement of prevention activity;
- the prompt provision/update of the required corrective actions;
- the adoption of the best technologies;
- the control and update of the working methodologies;
- the provision of personnel training and communication.

The Company identifies business executives and managers who by their actions can effectively contribute to the achievement of the targets of health and safety at work through the application of preventive actions and the observation of the correct behavior of their collaborators.

In order to ensure the health and safety in the workplace, FAGIOLI SPA acknowledge the health and safety rules and regulations as essential element for achieving its business goals.

Therefore, all workers have the obligation to take care of the health and safety for themselves and the other people working in the same workplace. All workers can be affected by the action or omission in compliance with their training, instructions and equipment provided by the employer.

External personnel (consultants, service providers) must also comply with the principles of this Code of Conduct.

4.6. INTEGRITY AND PROTECTION OF INDIVIDUALS

FAGIOLI SPA is committed to safeguarding the integrity of its employees by guaranteeing working conditions respectful of the dignity of the person. For this reason, workers are protected from acts of psychological violence and all discriminatory or injurious behavior are rejected (i.e. injury, threats, isolation or excessive occupation, professional limitations).

FAGIOLI SPA employees are given equal working opportunities on the basis of professional and performance skills, without any discrimination and in full respect of the rights of the person. However any inequality is considered as no discriminatory if justified on the basis of objective criteria.

FAGIOLI SPA employee who believes to be subjected to harassment or discrimination for reasons related to age, sex, language, sexuality, race, health, nationality, political opinion, political and trade union membership as well as religious beliefs, etc., can report all circumstances to the company that will evaluate the actual violation of the Code of Conduct.

Employee privacy is also safeguarded by adopting standards that specify the information the company requires to the collaborator and how this information is treated and retained.

4.7. HARASSMENT IN THE WORKPLACE

Regarding the protection of the dignity of women and men at work, FAGIOLI SPA ensures to all those working with the organization a serene environment and interpersonal relationships based on correctness, equality and mutual respect of the freedom and dignity of the person.

FAGIOLI also ensure to protect all employees from any act or behavior that has a detrimental or discriminatory effect, even indirectly.

FAGIOLI SPA is committed to implement prevention and training related to this chapter, with particular attention to the diffusion of the culture of respect for the person to prevent sexual and moral harassment.

4.8. ALCOHOL AND DRUG ABUSE

The Company requires to each employee to personally contribute to maintaining a safe and respectful work environment for others.

Therefore, during working time, it is forbidden to:

- Work under the effects of alcoholic substances, illegal drugs, or substances of similar effect;
- Consume or dispose of any illegal drugs during work-related activities.

Every FAGIOLI SPA employee and/or collaborator is committed to avoid in any way the consumption of these substances and will therefore be considered aware of the risk of harming an serene environmental situation if working under the effects of alcoholic substances, illegal drugs or substances of similar effect.

4.9. SMOKE

In compliance with current legislation, smoking is prohibited in the workplace and according to the current legislations, the Company identifies the responsible person for the control and application of the administrative sanctions.

4.10. USE OF COMPANY ASSETS

FAGIOLI SPA provides premises, plants, machines and equipment to all employees who are required to use them properly; the use of company's equipment must be carried out solely for the purpose of the work execution and therefore the use for personal or other purposes is prohibited.

It is not permitted the improper use of the company assets assigned to the employees.

It is forbidden to introduce personal and chemical or other similar products into the company premises, even though they are intended to carry out the work.

4.11 PROHIBITION OF DETENTION OF CHILD PORNOGRAPHIC MATERIAL

It is forbidden to distribute, divulge, distribute or advertise, hold into computer or paper media pedophilic material or virtual images with minors within **FAGIOLI SPA** premises, facilities, its affiliates, or any other place.

5. CRITERIA OF PROPER CONDUCT IN THE BUSINESS MANAGEMENT

FAGIOLI SPA comply with the principles and laws to safeguard competition in the markets in which it operates and avoid any behavior that may have a distorting effect on competition.

In commercial and promotional relationships, illegal and collusive practices and behaviours, illicit payments, attempts at corruption and favouritism contrary to laws, regulations and standards of this Code of Conduct are prohibited in order to obtain personal and career advantages for oneself or for others.

In particular, directors, executives, employees, consultants and external collaborators may not receive any fee from anyone for the accomplishment of an act within their competence or submit to any form of external conditioning in the performance of their corporate duties.

Should employees find themselves in a position to receive confidential information, they shall manage them in compliance with the principles of confidentiality in order to prevent **FAGIOLI SPA** from being accused of misappropriation and misuse of such information.

5.1. RELATIONS WITH EXTERNAL SUPPLIERS, VENDORS, CONSULTANTS AND PARTNERS

Directors, employees, consultants and external collaborators are committed to ensuring that **FAGIOLI SPA** relationship with its suppliers is always inspired by the principles of impartiality, transparency, availability, respect, professionalism, seriousness and courtesy; they also commit to avoid any form of discrimination.

In particular, relations with suppliers are based on ensuring the full achievement of the company's objectives, in compliance with the principles of loyalty and impartiality which all the Company is aware of.

The company adopts purchasing processes oriented to the search for the best quality/price ratio according to the needs expressed by users of the goods and services being supplied, on the basis of economic, quality and technical, commercial and financial reliability and periodic assessment of service levels.

Starting from the same requirements, **FAGIOLI** will choose those suppliers who demonstrate the implementation of social responsibility practices and/or the possession of social and environmental certifications.

FAGIOLI SPA will adhere with its internal vendor selection procedures whenever it is not a monopoly supplier, or a single highly specialized supplier in the provision of a product that requires specific quality.

In suppliers selection process, undue pressures are not admitted or accepted, such as to favor one supplier rather than another and weaken the credibility and trust that the market places in the Company with regard to transparency and strictness in the application of the law and corporate procedures.

In any case, in the event in which the supplier, the subcontractor, the consultant or the business partner, in carrying out its activities, adopt behaviors not in line with the general principles of this Code, such conduct must be immediately reported to the Supervisory Body according to the procedures in force and **FAGIOLI SPA** is entitled to take appropriate measures that could lead to preclude any other opportunities of collaboration.

In line with these principles, **FAGIOLI SPA** provides to contractually engage its suppliers, subcontractors, consultants, and business partners to comply with the law as well as to become aware of and adhere to the principles established by this Code of Ethics.

FAGIOLI SPA also provides to contractually reserve the right to take all appropriate measures (including contract termination) in the event that the third party, in carrying out activities in the name and on behalf of **FAGIOLI SPA**, violates the laws and regulations of this Code.

5.2. RELATIONS WITH CUSTOMERS

FAGIOLI SPA aim to satisfy the expectations of its customers by providing them with quality services and in compliance with the commitments and obligations undertaken towards them, as well as with the regulations aimed at protecting competition and the market.

To this end, the Company is committed to ensuring high quality standards, being aware that customer loyalty and trust is achieved through a relationship based on criteria of loyalty, availability, transparency, reliability and professionalism.

5.3. RELATIONS WITH INSTITUTIONS AND PUBLIC ADMINISTRATION

If, during its business, **FAGIOLI SPA** maintains relations with the Public Administration, it is absolutely forbidden to interfere in any way and by any means in the free and autonomous decisions of the Public Officials or Public Service Officers: for this purpose it is absolutely forbidden to promise, offer or deliver, directly or indirectly, money, goods or any other usefulness to such officers.

In this regard, relations with the Public Institutions must be based on the utmost transparency, clarity, correctness, impartiality and independence and not to cause partial, false, ambiguous or misleading interpretations by private and public entities, with which relationships are held in various capacities.

In particular, necessary relationships must be maintained respecting the roles and responsibility assigned to the law, as well as in the spirit of cooperation with the public administration.

Connection with officials of public institutions must be limited to the appointed and properly authorized structures of the Company in compliance with strictest observance of legal and regulatory provisions and without compromising the integrity and reputation of the Company.

To this end, the Company is committed to:

- operating, without any discrimination, through the assigned communication channels with the representatives of the Public Administration at national, international, community and territorial level;
- representing the Company in a clear, rigorous and coherent way, avoiding collusive attitudes;
- implementing the widest possible collaboration with the Public Officials on the occasion of possible inspection, promptly providing clear, transparent and truthful information;
- not offering or promising, directly or through intermediaries, any sums of money or other type of payment to Public Officials;
- not recurring to different forms of contributions which, under the guise of assignment of professional appointments, advise, advertising or otherwise, have the same purposes of influencing their activity in the performance of their duties;

Furthermore, it is forbidden to falsify, alter or omit data and/or information in order to obtain an undue advantage or any other benefit for the Company.

5.4. RELATIONS WITH THE COMPETITORS

The Company recognizes the primary importance of a competitive market and strictly complies with the provisions of the law in the field of competition and refrains from engaging in deceptive, collusive behavior and, more generally, any behavior that can lead to any form of unfair competition.

5.5. FINANCIAL RELATIONSHIP WITH PARTIES AND TRADE UNIONS.

FAGIOLI SPA does not finance politics parties, their representatives or candidates either in Italy or abroad, nor sponsorships congresses or parties with the scope of political propaganda. It prevent from any direct or indirect pressure on political representatives (i.e. by accepting hints of hiring, consulting contracts, etc.).

FAGIOLI SPA does not contribute to organizations with which conflicts of interest (i.e. trade unions) can be identified.

5.6. SUBSIDIES AND FUNDING

Contributions, grants or loans obtained by the European Union, the State or other Public Bodies, even if of a modest value and / or amount, must be used for the purposes they were requested and granted for.

Likewise, in case of participation in public procedures, the addressees of this Code are required to comply with the law and the proper commercial practice, in particular avoiding the need for Public Administration to unduly operate in favor of the Company.

5.7. MASS MEDIA

Relations with the mass media are based on respect for the right to information.

External communication of data or information must be truthful, accurate, correct, clear, transparent, respectful of the honor and confidentiality of people, coordinated and consistent with the policies of **FAGIOLI SPA**. The information relating to **FAGIOLI SPA** and directed to the mass media may only be disclosed by the company department delegated to do so, or with the authorization of these, in compliance with the procedures defined.

No employees is authorized to give press interview without the Company approval.

No employee may post photographs and videos of project sites online (on the internet and social media such as Facebook, Instagram, Twitter or YouTube) as it may amount to a breach of Fagioli confidentiality agreements. Photographs and videos may be posted for official purposes only, after seeking advice from the Legal department.

All **FAGIOLI SPA** employees shall be legally responsible for any content they post and may be subject to disciplinary action if such posts are found to be defamatory, harassing, or in violation of any other applicable law or Company policy.

5.8. REWARDS, GIFT AND BENEFITS

It prohibited to directly or indirectly offer/receive, money, gifts, benefits or gifts of any kind to / from executives, officials or employees of customers, suppliers, public authorities, public institutions or other organizations for the purpose of undue advantages or influence the addressee's judgment autonomy.

Except for gifts of modest value (for moderate value is intended goods or services whose price on the European market does not exceed the amount of Euro **35.00**), not aimed at gaining improper advantage, no form is allowed of gift that can only be interpreted as exceeding the normal business practices or courtesy or in any case aimed to acquire favorable treatment in conducting any activity connected with **FAGIOLI SPA** both to customers and to representatives of the Public Administration and in relations with suppliers, agents, distributors and/or employees and collaborators.

This rule, which does not allow exceptions, regards both promised or offered gifts and those received; it is stated that a gift is to be intended any kind of benefit (also free participation in conferences, promise of a job offer, etc.).

FAGIOLI SPA employees receiving or paying gift or benefits exceeding the concept of moderate value are required to notify the Supervisory Body and to inform the sender of **FAGIOLI SPA**'s policy on the matter.

Lunch and/or dinner invitations are allowed only in relation to the traditions in the country and for the companies in the sector. **FAGIOLI SPA** employee, when invited, is required to know in advance the general conditions (price, category, program, etc.), and the compliance with the principles and provisions of the present Code of Conduct must always be guaranteed and all necessary measures must be taken to safeguard and protect the integrity of **FAGIOLI SPA**.

If the invitation is submitted in a way that does not comply with the above mentioned provisions, **FAGIOLI SPA** employees are required to notify the company contact person and the Supervisory Body and to inform the sender of **FAGIOLI SPA** policy on the matter.

Likewise, inviting clients or business partners to work lunches is only allowed with regard to the traditions in the country and for company in the sector, and the honesty of the intention and the exclusion of any attempt to exercise arbitrary influence on the result of business activities must always be guaranteed.

5.9. ACCOUNTING MANAGEMENT

The Company adheres to criteria of correctness, transparency, completeness and verifiability in the management of its assets and accounts, ensuring full compliance with current legislation.

All business transaction data must be kept clear, transparent, and traceable.

Payments will only refer to the supplies and/or services actually received.

Subsidiary accounting is not permitted.

With regard to payment of commissions, particular care is required to ensure that the service has been truly provided.

The correctness and regularity of the accounts is regularly certified, as well as all data relating to accounting and commercial transactions are recorded and filed according to the provisions of the law.

5.10 FINANCIAL FLOW MANAGEMENT

It is forbidden to receive or make payments in cash, to replace or transfer money, goods or other utilities deriving from illegal activity, or of dubious origin, or to perform other operations in relation to them, so as to hinder the identification of their origin.

The use of cash is limited within the terms established by the current anti-money laundering regulations.

It is forbidden to put into circulation banknotes, coins, public credit cards, false or counterfeit watermarked and filigree papers.

For business related to **FAGIOLI SPA**, anyone receiving payment of false banknotes, coins or public credit cards for payment has the obligation to inform his or her supervisor or the Supervisory Body.

An employee who suspects that a money laundering operation is progress must immediately inform the Supervisory Body.

5.11. ANTI - MONEY LAUNDERING MANAGEMENT

The company carries out its business in full compliance with the current anti-money laundering regulations and the provisions issued by the competent authorities, thereby committing itself to refusing to carry out suspicious transactions in terms of fairness and transparency.

Therefore all addressee of this Code of Conduct are required to:

- Check in advance the information available to the contractual counterparties, on the Employees and the Consultants regarding their respectability and the legitimacy of their business before establishing business relationships.
- to avoid any involvement in unsuitable or even potentially illegal money laundering activities by acting in full respect of money laundering regulations and **FAGIOLI SPA** internal control procedures.

5.12. IT MANAGEMENT

The Company identifies and adopts suitable systems to prevent the commission of computer crimes and to guarantee the correct use of the IT equipment provided to all employees and collaborators.

The use of IT systems must be carried out in full compliance with the current regulations (especially on the subject of IT crimes, IT security, privacy and copyright) and the existing internal procedures and regulations.

In any case it is forbidden to anyone to access without authorization and in violation of the law, to computer or other telecommunication systems, and to violate their related access limits.

Each employee is required to provide the necessary commitment to prevent the possible commission of offenses through the use of IT systems.

5.13. SUSTAINABILITY AND ENVIRONMENT

FAGIOLI SPA is committed to safeguarding the environment as a primary asset and adopts the most suitable measures to preserve the environment by promoting and planning the development of activities consistent with this objective.

The performance and management of all the **FAGIOLI SPA** activities takes place in full compliance with current environmental protection regulations.

In order to ensure full compliance with this corporate aim, **FAGIOLI SPA** operates to promote the diffusion of the environmental protection culture and to implement the necessary measures to ensure environmental protection.

FAGIOLI SPA also pursues the following environmental targets:

- optimization of the use of energy sources and natural resources;
- minimization of negative environmental impacts and maximize positive ones;
- fostering of the diffusion of a correct approach to environmental issues;
- commitment to continuous improvement of environmental performance;
- adoption of environmental policy.

With this mind, **FAGIOLI SPA** is committed to promoting and guaranteeing a strong environmental awareness and a high level of knowledge of environmental issues among the employees.

Finally, **FAGIOLI SPA** adopts the procedures established by the law to prevent or at least to contain any form of pollution in compliance with environmental legislation and to ensure correct waste management, and strives to ensure that anyone who establishes any contractual, even temporary, relationship with the company, operates according to a qualitative level in compliance with all regulations.

6. PROHIBITED CONDUCTS

6.1. IN GOVERNMENT AND PUBLIC ADMINISTRATIONS RELATIONS

Relationships with Public Institutions are maintained through the expressly delegated subjects.

To all **FAGIOLI SPA** staff and members it is forbidden to:

- to adopt behaviors contrary to the law;
- to pay or offer directly or indirectly, payments or benefits to public officers, to influence or compensate an act of their office and to ensure any kind of benefit to the Company;
- grant advantages of any type to public officers;
- use recruitment or remuneration system to grant direct or indirect benefits to public officers;
- use or present false declaration or false document or evidence of untrue things to the Public Administration, or omit information in order to obtain public funds, grants or subsidized loans or other disbursements granted by the State, by an Public Entity, or the European Community;
- to allocate sums received by the Public Administration for grants, contributions, grants facilitated for purposes other than those to which they were intended and for which they were granted;
- alter the functioning of an IT or telecommunication system or intervene in any way on data, information, software, or against the State or a public entity;

6.2. WITH REFERENCE TO THE CRIMINAL OFFENCE OF THE "PRIVATE-TO PRIVATE BRIBERY"

All **FAGIOLI SPA** employees are forbidden to:

- provide favourable benefits that are not adequately justified in the context of the relationship between the company and the counterparty;
- recognize fees to consultants and suppliers that do not find justification in relation to the type of task to be performed and the market prices;
- distribute presents and gifts, or promise benefits beyond what is provided by business practice;
- take personal advantage of business opportunities that have come to light during the performance of their duties;
- adopt illegal, collusive practices and illegal conduct, making unlawful payments, or making attempts to corrupt or favor in order to obtain personal or career benefits for themselves or others;
- use the recruitment tool or remuneration system to grant direct or indirect benefits, and / or favor candidates recommended by third parties;
- encourage a supplier rather than the other in the selection of suppliers, in such a way to undermine the Company credibility and trust in the market places with regard to transparency and rigor in law enforcement and business procedures;

6.3. WITH REFERENCE TO THE CRIMES AGAINST PUBLIC FAITH AND AGAINST INDUSTRY AND TRADE

It is expressly forbidden to all **FAGIOLI SPA** employees and collaborators to:

- not apply the relevant **FAGIOLI SPA** procedures;
- use corporate secrets;
- adopt behaviors aimed at hindering the normal functioning of the business and commercial activities of competitors;
- reproduce abusively, imitate, tamper with trademarks, distinctive signs, patents, industrial designs or models owned by third parties;
- import illegally counterfeited or altered industrial products into the territory of the State to put them in the market in any way;
- keep, sell directly to consumers or put in the market industrial products made by faking industrial property rights or in violation of them;

6.4. WITH REFERENCE TO COMPUTER CRIMES AND UNLAWFUL PROCESSING DATA

All **FAGIOLI SPA** employees and collaborators are forbidden to operate any unlawful data processing and the execution of any IT crime as indicated in the Organizational Model of **FAGIOLI SPA**.

6.5. WITH REFERENCE TO CRIMES AGAINST COPYRIGHT

All **FAGIOLI SPA** employees are forbidden to:

- use company IT equipment for personal use, unless what is stated in the employment contract;
- install software without authorization of the IT manager;
- duplicate CDs or DVDs protected by copyright;
- hold non-original software storage device;
- download free software or shareware from websites without the prior permission of the IT manager;
- install software coming from uncertain source and unauthorized by the Company;
- use illegally computer passwords, access codes, or similar information to perform one of the above mentioned practices;
- unlawfully access and duplicate databases;
- create software that violates third party copyright;

6.6. WITH REFERENCE TO CRIMES OF RECEIPT, RECYCLING AND USE OF MONEY, GOODS OR UTILITIES OF UNLAWFUL ORIGIN, INCLUDING THE CRIME OF AUTHORITY

The recipients of the Code of Conduct must:

- actively cooperate in the prevention and combating of recycling phenomena, using the necessary diligence in identifying situations of potential anomalies;
- guaranteeing compliance with the principles of correctness and transparency in the adoption of the procedure for the selection of commercial counterparties, which must be based on objective and documentable criteria, and in the requirements for the signing of the related contracts;
- requesting all the necessary information from the commercial counterparts in order to evaluate their reliability, economic soundness and professional reliability;
- comply with all the legal provisions governing the legal and economic relations between companies belonging to the same group, in particular verifying that the contracts with associated companies are stipulated in relation to actual reciprocal needs and economic market conditions;
- ensure the adequate traceability of money flows from/to countries with non-equivalent anti-money laundering regulations;
- report any irregular management of financial flows from countries with non-equivalent anti-money laundering regulations;
- guarantee correctness, transparency, collaboration in activities aimed at preparing tax returns and fulfilling tax obligations;

6.7. WITH REFERENCE TO CRIMES FOR VIOLATING ACCIDENT ON WORKPLACE PREVENTIONS LEGISLATIONS.

All **FAGIOLI SPA** employees and collaborators are forbidden to:

- misapply or apply incompletely or non-correctly the health and safety rules at work in order to obtain any benefit, even in terms of time savings or lower costs, for themselves or for the Company;
- not to promote and share a culture of prevention of possible work hazards;
- have irresponsible and disrespectful behaviors against the others;
- tampering with and removing safety device;
- not to cooperate in risk assessment;
- damage company goods needed for internal services;
- not to comply with safety work instructions;

6.8. WITH REFERENCE TO CRIMES FOR PERSUADING OTHERS TO MAKE OR NOT MAKING A MENDACIOUS STATEMENT TO THE JUDICIAL AUTHORITY

All **FAGIOLI SPA** employees and collaborators are forbidden to:

- apply corruption practices in order to induce others to issue misleading statements or not to issue statements to the Judicial Authority;
- force, in whatever form and manner, the will of subjects called upon to issue statements to the Judicial Authority or to induce them to decline to answer;
- carry out any behavior that, while not integrating the above-mentioned criminal hypothesis in concrete terms, can in the abstract become it;

Each employee must commit to prevent the perpetration of this offense.

6.9. WITH REFERENCE TO ENVIRONMENTAL CRIMES

All **FAGIOLI SPA** employees are forbidden to:

- misapply waste disposal procedures;
- allow improper waste management;
- violate the Waste Tracking Control System;
- exceed the emission limit values and the air quality limit values laid down in the specific regulations;
- use ozone-depleting substances;
- discharge water in violation of statutory requirements, not complying with the authorization, without or with suspended or revoked authorization;
- discharge waters in violation of the table limits;

Each employee must commit to prevent the perpetration of this offense which is punished by environmental legislation.

6.10. WITH REFERENCE TO THE CRIMES RELATED TO THE USE OF FOREIGN WORKERS WITHOUT RESIDENT PERMIT OR WITH A PERMIT THAT HAS EXPIRED

All FAGIOLI SPA employees are forbidden to:

- apply incorrectly the procedures for employment recruitment.

6.11. WITH REFERENCE TO THE ORGANIZED AND TERRORISM CRIMES

FAGIOLI SPA is firmly opposed to any form of terrorism or subversion of the democratic order and any other denial of collective and individual freedom. Therefore all employees have duty to take action to prevent terrorist acts or to report any form of their support. Having a peculiar activity, FAGIOLI operates in high risk locations (airports, power plants, etc.) which requires the utmost attention in the choice and control of the personnel employed within the company. In these places the safety of employees and customers, as well as moral duty, becomes a strategic fact.

Personnel hiring within the company as well as the choice of potential subcontractors shall be consequent to a diligent analysis of the individual data by the departments in charge.

6.12. WITH REFERENCE TO RACISM E XENOPHOBIA CRIMES

FAGIOLI SPA rejects any activity that may involve the propaganda of ideas based on racial or ethnic hatred, the entrapment to commit or the perpetration of discrimination acts for racial, ethnic, national or religious reasons, the instigation to commit or commit violence for racial, ethnic, national or religious reasons, even when such behavior occurs denying or seriously minimizing the apology of the Holocaust or genocide crimes, crimes against humanity and war crimes. Any employee who, in carrying out the work, becomes aware of the commission of racist and xenophobic acts or behavior must immediately report to the superiors and the Supervisory Body.

7. INTERNAL CONTROL AND SUPERVISORY BODY

FAGIOLI SPA has set up a body with autonomous powers of initiative having supervisory and control functions (hereinafter "Supervisory Body") for the operation, effectiveness, adequacy and observance of the Organizational Model complying with the Italian Legislative Decree 231/2001 as well as for the updating of it.

This Supervisory Body main tasks is the receipt and evaluation of reports on behaviors conflicting with this Code of Conduct; consequently the Supervisory Body has to carry out the investigation on the case while maintaining confidentiality and secrecy in conducting such investigation.

For this purpose specific communication channels have been identified to report information or news about sensitive operations or processes that are not in line with the Model and/or Code of Ethics.

The communication channels set up for reporting are the following:

- a. Email to one of the Supervisory Body addresses organismodivigilanza@pec.fagioli.com (certified email) or organismodivigilanza@fagioli.com ;
- b. Postal mail to Supervisory Body (c / o Fagioli SpA, Via G.B. Ferraris N. 13, 42049 Sant'Ilario D'Enza (RE), Italy); in this case, the message must be placed in a sealed envelope with the wording "confidential / personal" on the outside in order to guarantee confidentiality.

It is mandatory to report, without delay, any behavior that does not comply with the principles and behavioral rules of this Code.

To this end, FAGIOLI SPA provides an effective structure to allow employees to raise doubts without fear of retaliation.

Indeed all information received will be handled in the most secrecy way, in accordance with applicable law. Therefore, the Company will ensure the confidentiality of the reporting person identity except for the requirements associated with the performance of the Supervisory Body duties, as well as to ensure the reporting person from retaliation, illicit conditioning, inconvenience and discrimination of any kind when reporting the violation of the contents of this Code.

8. DUTIES OF THE SUPERVISORY BODY IN RELATION TO THE IMPLEMENTATION AND MONITORING OF THE CODE OF CONDUCT

In relation to this Code of Conduct The Supervisory Body has the following responsibilities:

- a) Deciding in relation of Code violations;
- b) Expressing binding opinions on the revision of the most important policies and procedures in order to ensure consistency with the Code;
- c) Providing periodic revision of the Code;
- d) Monitoring the Code;
- e) Verifying the application and compliance with the Code of Conduct, which means to insist and promote the continuous improvement of ethics within the Company through an analysis and evaluation of ethical risk control processes;
- f) monitoring initiatives to spread the knowledge and understanding of the Code.

More precisely:

- Ensuring the development of ethical communication and training activities;
- Analyzing the suggestions for reviewing company policies and procedures with significant impacts on corporate ethics and setting out the potential solution to be submitted to the approval of the Board of Directors;
- Receiving and analyzing all reports of violations of the Code;

In order to ensure the correct Code understanding, FAGIOLI SPA arranges training based on the Guidelines of the President of the Supervisory Body; such training are aimed at promoting the knowledge of the ethical principles and standard. Training are set according to personnel role and responsibility.

In the event that even one of the provisions of this Code are to conflict with provisions laid down in internal regulations or procedures, the Code will prevail over any of these provisions.

Any variation and integration, validated by the Supervisory Body, must be approved by the Board of Directors and promptly spread to **FAGIOLI SPA** employees.

9. SANCTIONS

Compliance with the Code must also be considered as an essential part of the contractual obligations for all employees, executives, directors and other subjects having business relations with the company.

Employees' and executives' compliance with the Code of Conduct merges with the obligation to fulfill the general duties of loyalty, fairness, performance of the contract in good faith.

Violation of the Code of Conduct damages the trust relationship with the company and constitutes a breach of the obligations enclosed in the employment relationship leading to contractual and legal consequence, such as disciplinary offense and/or termination of the employment contract.

In compliance with applicable regulations, the disciplinary measures which may be imposed on employees are those provided by the sanctioning system in the Company Disciplinary Code, the provisions of which are hereby incorporated by reference.

For employees, directors and third parties, the violation of the Code of Conduct constitutes a serious breach of contractual obligations leading to all legal consequences, including termination of the contract and/or the assignment and may result in compensation for damages arising from that breach..

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CODE OF CONDUCT**

