

E.G.O. Italia S.r.l.

Ethical Code of Conduct

*(integral part of the Organization, Management and Control Model
pursuant to Legislative Decree no. 231/2001)*

Adopted by the Board of Directors on 17 October 2017

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1. Introduction

1.1. Foreword

Since 1954, E.G.O. Italia S.r.l. (hereafter referred to as the “Company” or “Defendi”) has been designing and producing gas burner components for domestic appliances, becoming a world leader in the sector.

In October 2013, the Company was taken over by the German multi-national group E.G.O. Blanc und Fischer-Group (hereafter “E.G.O.” or “Group”). In January 2017, Blanc und Fisher Group has adopted the Compliance Guidelines applicable to all Companies and employee of the Group. Defendi has adapted the Ethical Code of Conduct (hereafter “Ethical Code”) to the principles and behaviors as promoted on the Compliance Guidelines of the Group.

The Company operates in markets all over the world and, even for this reason, focuses painstakingly on quality, security, operation transparency and respect for the environment.

This Ethical Code of Conduct (hereafter r the world and, or “Code of Ethics” is crucial both for the good operating and reliability of the Company and for safeguarding the prestige and image of the same. Such factors are key elements for success.

This Code of Ethics therefore comprises a set of values and guidelines that must be complied with by all those who have working relations with the Company or, generally speaking, anyone who bears interests (i.e. the stakeholders).

1.2. Definitions

Risk Areas and/or Activities: areas and activities that are particularly at risk of the very crimes the organizational model aims at preventing, as identified by the mapping analysis conducted by the Company and in view of possible prevention deficits tangibly associated with the corporate context.

Advisers: those who act on behalf of the Company, in accordance with a mandate, assignment or other cooperation and/or outsourcing agreements, and their employees.

Decree: Legislative Decree no. 231 of 8 June, 2001, regulating the “Discipline of administrative accountability of legal persons, companies and associations, even the ones lacking a legal status, compliantly with article 11 of law no. 300 of 29 September 2000”, published on the Official Gazette, issue no. 140 of 19 June, 2001, subsequently amended and integrated

Delegate of the Board of Directors: the Company001Board of Directors member holding power of attorney for the Organizational Model. S/he is the privileged interlocutor of the Surveillance Body for the management of the Organisational Model and the linked activities, whose task is that of amending or integrating the Organisational Model text when such changes do not require the Board of Directors’ approval.

Recipients: the subjects the Organizational Model turns to, namely (i) the Board of Directors members (Directors), (ii) the Management members, (iii) all employees, regardless of their level and qualification (Employees), (iv) temporary workers, interns, contract workers and para-subordinate collaborators, agents (Collaborators), (v) advisers, agents, commercial partners, collaborators or contractors of the Company somehow taking part in the Company’s commercial initiatives (Partners).

Management: the subjects administrating the Company, who exert decision-making powers for the Company or its single business areas.

Model: this proper organization, management and control model, adopted by the Company compliantly with articles 6 and 7 of the Decree.

Surveillance Body: the Company’s monitoring committee, whose task is that of supervising the implementation of the Organizational Model and compliance with it, as per article 6 of the Decree.

Oversight plan: the plan drawn up by the Surveillance Body, which sets the dates and contents of the Surveillance Body's periodical inspections with reference to the issues mentioned in the Decree.

Public Administration or PA: all the authorities, bodies, managers and employees entrusted by the judicial system with the task of taking care of public interests. These include:

- national, European and international public institutions, meaning organizational structures whose task is that of working to meet the interests of the community;
- public officials, namely the people carrying out a legislative public function (lawmaking), judicial function (exercising jurisdictional powers), administrative function (creating or performing the will of the Public Administration by means of authoritative or certifying powers) (see art. 357 of the Criminal Law code),
- people in charge of public service, namely those who perform an activity regulated similarly to a public function but characterised by the lack of the typical powers the latter presents (see art. 358 of the Criminal Law code).

Crimes: the facts entailing the commitment of a crime according to the Decree in force at the time.

Company: E.G.O. Italia S.r.l., head office based in Camerano (AN), Via Direttissima del Conero no. 29, registered in the Registry of Companies of Ancona, Taxpayer Code/VAT Number 00093410421.

1.3. General Principles

All the activities of the Company must be conducted not only complying with the enforceable laws, but also respecting the principles of honesty, integrity, transparency, correctness and good faith, respecting the legitimate interests of stakeholders, clients, Collaborators, Employees, commercial and financial Partners and, generally speaking, of the entire community. All those who work and operate in the Company, with no exception, must comply with and ensure compliance with such principles within their sphere of competence.

All actions, operations and negotiations and, generally speaking, behaviour of the Recipients in conducting their working activities and/or in implementing of the tasks, must be inspired by the current rules, internal procedures and contractual terms and conditions.

1.4. Recipients and Code of Ethics enforcement context

The Code of Ethics must be complied with by all Recipients.

Each Recipient must be aware of the Code of Ethics, contribute actively to its enforcement, promotion and to point out any shortcomings and/or violations. The Company undertakes to raise awareness of the Code of Ethics through adequate information and training procedures.

The Company condemns all behaviours clashing with the values, principles and directives of the Code of Ethics, even if such behaviour were driven by the conviction of acting to the benefit or in the interest of the Company itself.

The Code of Ethics is disclosed to anyone holding business relations with the Company, even by publishing it on one's website.

Compliance with the rules of the Code of Ethics must be deemed a crucial part of the Recipients' contractual obligations. The violation of the Code of Ethics rules may entail a disciplinary offence and/or failure to comply with the contractual obligations envisaged by the working and/or commercial contracts and may also lead to compensation for the damages suffered by the Company.

In order to ensure full compliance with this Code of Ethics, each Recipient can contact the Surveillance Body pursuant to the provisions set forth under paragraph 10 below.

1.5. Duties and tasks envisaged by the Code of Ethics: the Company

The Company abides by the contents of the Code of Ethics also to increase, in the long run, its asset, management and technological values, the long-term wellbeing of Recipients and Stakeholders and of the community.

In order to efficiently reach such goals, the Company will adopt any initiative aimed at ensuring the following:

- the disclosure of the Code of Ethics to Recipients and third parties with whom the Company holds business relations;
- the provision of all possible fact-finding and clarification tools with reference to the interpretation and implementation of the rules set forth under the Code of Ethics;
- the carrying out of regular checks or specific checks, even stemming from information concerning the violation of the Code of Ethics rules;
- the update of the Code of Ethics, so as to adapt it to the evolution of the reference values and rules and, if necessary, amend it in the event of relevant violations of the code itself or in the event of changes in the organisation and activities of the Company;
- the evaluation of facts and, should a violation be ascertained, the subsequent implementation of adequate sanctions;
- immunity from any sort of retaliation for anyone who provides, in good faith, information concerning possible violations of the Code of Ethics or of the pertaining laws or assists, in good faith, the Company in checking such violations.

1.6. *Continued:* Directors and Management

The Directors and the Management, in setting the business goals, take cue from the principles and values set forth under the Code of Ethics.

The Directors and the Management must, above all, implement the values and principles of the Code of Ethics, taking on the relevant responsibilities.

They undertake to do the following, within their sphere of competence:

- set, through their behaviour, an example for their colleagues and, on the whole, for Employees and Collaborators;
- accurately select the members of Management, Employees, Collaborators and anyone working to fulfil the goals of the Company, making sure such individuals are truly capable of complying with the Code of Ethics;
- urge members of Management, Employees and Collaborators to ask for clarification as regards the enforcement of the Code of Ethics rules;
- promptly notify the Board of Directors and the Surveillance Body about information, acquired either directly or indirectly, concerning possible violations of the Code of Ethics;
- immediately adopt corrective measures when the situation requires them;
- prevent any sort of retaliation towards those who provide, in good faith, information concerning possible violations of the Code of Ethics or of the pertaining laws or assist, in good faith, the Company in checking such violations.

1.7. *Continued:* Employees and Collaborators

The Employees and Collaborators, while fulfilling their tasks, must abide by the principles and rules set forth under the Code of Ethics.

In particular, Employees and Collaborators shall:

- refrain from holding a conduct contrary to the Code of Ethics;

- ensure their cooperation in order to ascertain possible violations of the Code of Ethics;
- report with the Surveillance Body, pursuant to the provisions set forth under paragraph 10 below, for any clarification regarding the Code of Ethics enforcement methods;
- promptly inform the Company Surveillance Body about any information - directly acquired or reported by others - of the violations of the Code of Ethics, as well as any code violation request they receive.

In particular, Collaborators shall:

- refrain from holding a conduct contrary to the Code of Ethics;
- ensure their cooperation in order to ascertain possible violations of the Code of Ethics;
- report with the Administrator or the Top Management, pursuant to the provisions set forth under paragraph 10 below, for any clarification regarding the Code of Ethics enforcement methods;
- promptly inform the Company Surveillance Body about any information - directly acquired or reported by others - of the violations of the Code of Ethics, as well as any code violation request they receive.

1.8. Health and Safety

The Company manages its operations pursuant to standing laws and regulations on work-related illness and injury prevention.

Each according to their function within the Company and the manner of their employment, all Recipients shall:

- comply and ensure others comply with the Company's rules and instructions on collective protection;
- make appropriate use of equipment, means of transportation, work tools and safety devices;
- report faulty or malfunctioning vehicles, devices and equipment, as well as any other hazards and, in urgent circumstances, act on such faults and hazards drawing on whatever skills available to them;
- neither remove nor modify safety devices, alarms or monitoring systems without prior permission;
- not, of their own initiative, carry out operations or actions which they are not eligible to perform or which may compromise their personal safety and that of other employees;
- undergo any medical examination and health checks as prescribed by standing laws and regulations.

Recipients must safeguard their individual health and safety and that of other persons in the Company workplace. Failure or omission in that respect may compromise the health and safety of others.

1.9. Environmental Protection

In line with policy and efforts to constantly upgrade environmental protection standards, the Company requires that all Recipients and any third parties actively cooperate in its environmental management schemes.

Each according to their function within the Company and the manner of their employment, Recipients and any parties cooperating with the Company shall:

- comply and ensure others comply with the Company's environmental protection rules and instructions;
- make use of the appropriate collection points for waste disposal and management purposes, and comply with Company directives on use and maintenance of work equipment and tools;

- report any circumstances which may compromise compliance with the Company's environmental protection rules;
- not, of their own initiative, carry out operations which they are not eligible to perform, or engage in behaviour which may compromise environmental safety.

* * *

2. Relations with the staff

2.1. Human resources

Human resources are a crucial element for an enterprises existence. The dedication and professionalism of Directors, Management, Employees and Collaborators are fundamental values and conditions for the achievement of the Company's goals.

The Company offers everyone the same working and growth opportunities, guaranteeing a fair treatment, based on merit, with no discrimination whatsoever as regards selection, hiring, training, remuneration and supervision of Management, Employees and Collaborators. The Company also undertakes to create a working environment where personal features do not lead to discrimination, safeguarding each worker's psycho-physical integrity, respecting him/her, preventing him/her from suffering unlawful conditioning or undue stress.

The Company undertakes to comply with all the current laws on subordinate and para-subordinate jobs, expressly including law provisions regarding employment of citizens from third countries and the relevant mandatory valid residence permits¹.

2.2. Personnel selection and management

The personnel is selected abiding by the internal procedures, according to the corporate needs and consistently with the professional profiles required, ensuring equal opportunities for candidates and enforcing the pertaining internal procedures.

The information requested during the selection are strictly linked to the verification of the professional and psychometric profile required, respecting the privacy of the candidate and his/her personal opinions.

2.3. Discrimination and harassment on the workplace

Each member of the Board of Directors and of Management, each Employee and each Collaborator has the right to work in an environment free from any form of discrimination based on race, ethnic or national origin, invalidity, language, religion, social class, age, gender, sexual orientation, political orientation, trade union orientation, or other. The Company acknowledges that diversity is a value, for the Company itself.

The Company demands that internal and external working relations be absolutely correct and that no harassment, intimidation, acts of marginalisation or hindering of other individual, ethnic or national origin, invalidity, language, religion, discrimination be carried out.

The Company does not tolerate any kind of behaviour leading to or consisting in sexual harassment, such as any unwanted act or behaviour, even verbal, with a sexual connotation that may offend the

¹ This includes commitment of the Company to ensure, through specific contract clauses, that any third party with whom the Company cooperates (suppliers, advisors, etc.) employ workers with a valid residence permit.

dignity and freedom of the person it is addressed to, namely that may lead to retaliation or a sense of intimidation towards that person.

The Company bans any form of forced labour and the exploitation of child labour.

2.4. Non-compete clause

The Company acknowledges and respects the right of its Directors, of its Management, of its Employees and of its Collaborators to take part in other types of business or activities outside the ones conducted in the interest of the Company, provided that such activities be legal and not in conflict with the duties taken on with the Company itself.

2.5. Training and information

It is the Company's goal to ensure a correct awareness of the contents of the Decree and of the consequent organisation and control measures adopted.

Training the personnel and informing it is done by the relevant corporate offices, in close cooperation with the Surveillance Body and with the figures in charge of the offices involved.

Training and information activities concern all Employees and Collaborators, as well as the Directors and the Management: they are compulsory and must be documented and disclosed to the Surveillance Body.

Third parties cooperating with the Company are provided with a copy of this Code of Ethics, as well as with a relevant note illustrating the consequences of failure to comply with the principles of the code itself. Where possible, specific clauses aimed at regulating such tasks have been included in the texts.

* * *

3. Business conduct

3.1. General Principles

The Company, while running its business and business relations, draws inspiration from the principles of legality, fairness, correctness, transparency, efficiency and opening to the market.

Each commercial operation and transaction must be duly registered, authorised, verifiable, legitimate, consistent and adequate.

The Recipients whose actions may somehow be associated with the Company must abide by a correct conduct in doing business related to the Company and in holding relations with the Public Administration, regardless of market competition and of the relevance of the business being conducted.

Corruption, illegitimate favours, collusive behaviour, requesting - directly and/or indirectly via third parties - sums of undue money or other personal/career benefits for oneself or others, are strictly prohibited and may result in failure to comply with the obligations stemming from the working relation or felony, bringing about the consequences envisaged by the law and by the collective labour agreements, when enforceable, even concerning the preservation of the working relation, and may also lead to compensation for the damage caused.

Economic resources, just as the Company's assets, must not be used for illegal, improper or devious purposes. No illegal practices, no illegitimate financial favour nor any other type of favour will bring benefit to the Company.

3.2. Conflict of interest

The Recipients must pursue, each one whilst performing his/her own activity, the goals and general interests of the Company.

Consequently, they must refrain from conducting activities that may bring about a conflict of interest for them (or for their close associates) such as (by way of mere exemplification):

- ✓ taking on jobs (including consultancy activities) aiming at favouring or supporting the position of a competitor, to the detriment of the Company;
- ✓ holding, directly or indirectly, a significant financial interest in any body conducting business with (or attempting to do so) or competing against the Company;
- ✓ requesting or accepting gifts, favours, loans or special treatment by anyone conducting or trying to conduct business with the Company;
- ✓ anyone or any entity conducting or trying to conduct business with the Company requesting contributions for a charity institute or a political candidate;
- ✓ setting up commercial transaction with one's relatives or with an enterprise where one has a relevant financial interest.

3.3. Operations with linked parties

All relations with linked parties must receive adequate information on the nature of the relation, on the operation's executive modalities, on conditions and interests and on the underlying motivations.

Linked parties and operations with linked parties entail the notions set forth under Italian Civil Code and under other provisions concerning book-keeping and balance sheets possibly imposable on the Company.

Operations with linked parties entail any transfer of resources, services or obligations with linked parties, regardless of the fact that compensation has been agreed on.

3.4. Gifts or other utilities

Whilst performing working activity or representing the Company it is forbidden, albeit not aimed at obtaining a benefit or an advantage, to give or offer, directly or indirectly, gifts, payments, material benefits or other utilities of any kind to clients, suppliers and third parties in general, be they public or private.

No Director, member of Management, Employee or Collaborator is allowed to offer, give or accept gifts or benefits without an explicit authorisation, (a) other than those falling within a restricted expenditure limit, clearly defined and in accordance with common courtesy practices, (b) that may be interpreted as corruption or bribery, (c) offered or received regularly or frequently, (d), violating any law, (e) compromising the Company, directly or indirectly, gifts, payments, material benefits or not.

It is understood that no gifts may be given, even small value ones, should the PA employees not be allowed to accept them because of the self-regulation codes drawn up by the relevant administration. The same goes if a similar prohibition is imposed to the Company by contractual obligations (particularly with the suppliers).

The Recipients acting on behalf of the Company that receive gifts or special treatments, not directly ascribable to normal courteous relations, must immediately inform the Surveillance Body at the address and via the modalities set forth under paragraph 10 below.

In business relations with clients, suppliers and advisers, providing sums of money, benefits (both direct and indirect), gifts and other courtesy and hospitality acts is prohibited, unless the nature and

value entailed is such that it does not undermine the image of the Company and cannot be interpreted as a way to obtain favours or illegal advantages. In all cases, the offer of gifts to the aforesaid subjects must be (i) duly documented, in order to allow the due authorisations and verifications and (ii) communicated to the Surveillance Body.

3.5. Relations with the mass media, polling companies, trade associations and other similar agencies

The information transmitted to the outside, directly or indirectly referable to the Company, must be complete, true and transparent, and transmitted only by those Employees specifically delegated.

Relations with the mass media, polling companies, trade association or other similar agencies are dealt with exclusively by the pertinent corporate offices and figures, within the limits of their mandates engaging behaviour and/or make statements done with the greatest possible transparency and ensuring compliance with the competition law.

3.6. Sponsorship and funding - donations

Sponsorship activities may be taken up provided they are legal and carried out in the interest of the Group. Such activities – which, for example, may entail social, environmental, sports and arts spheres – must include events that ensure quality and seriousness and must be adequately documented.

The Company does not allocate sums of money, directly or indirectly, to parties, movements, committees, associations or other political or trade union bodies, nor to their representatives or candidates, nor to organisations with which a conflict of interest may arise, other than those envisaged by specific laws, namely granted in compliance with the pertinent laws and duly documented practices.

The Company cooperates, financially too or by make donations, with the aforesaid organisations, exclusively with reference to specific projects and abiding by the following criteria:

- goals linked to the Company financial;
- clear and documentable use and allocation of resources;
- explicit authorisation by the Board of Directors;
- notification to the Surveillance Body.

Sponsorships, fundings an donations must not be used for influencing business decisions from Partners or Public Officials. If there is any reason to assume that a conflict of interest exists, all of relevant circumstances must be disclosed to the Legal and Compliance Department.

3.7. Relations with customers and with commercial partners

It is a top priority for the Company to meet the needs of customers, both public and private, even to set up a solid relation, based on the values of correctness, honesty, efficiency and professionalism.

While conducting its activity, the Company undertakes not to damage the image of competing companies and their products.

The Recipients must negotiate fairly with clients and with anyone they come in touch with whilst conducting their work.

To this end, the Company's Directors, Management and Employees must:

- diligently comply with all laws and internal procedures when holding relations with customers and with commercial partners;
- provide accurate and exhaustive information about the offered services, abiding by the principles of transparency and of corporate confidentiality;

- be clear and truthful in commercial communication with the customers and to the market.

3.8. Relations with suppliers

Directors and Management must, within their sphere of competence, monitor that suppliers comply with principles similar to the ones set forth under the Code of Ethics.

When selecting the suppliers, the Company takes into account the potential contractor's working environment, which must be safe and compliant with the laws.

As for contract and procurement relations and, on the whole, the general supply of good and/or services, Directors, Management and Employees, within their sphere of competence, must:

- painstakingly comply with all laws and internal procedures in selecting suppliers and managing relations with them;
- select the suppliers exclusively according to the corporate needs;
- not deny any supplier possessing the due requisites the possibility of competing to win a supply contract with the Company, abiding by the criteria of objectiveness, fairness and transparency while making the selection.

3.9. Relations with competitors

The activities of the Company and the behaviours of the Recipients, whose actions may somehow refer to the Company, must be based on total autonomy and independence. Paying absolute attention that no cartel formation occurs in relation to e.g. prices or price components, other conditions, Customers, territories, quotes or business strategies, violating the antitrust laws.

Cooperation between Competitors in certain areas is unavoidable, e.g. if for a project that required expertise is not fully available in one Company or if projects are so complex that they cannot be handled by one Company from a financial or technical perspective.

However, cooperation should not lead to companies exchanging information beyond the necessary scope, as this would otherwise impede competition.

The admissibility and the nature of a form of cooperation depend therefore on numerous factors and must be evaluated on an individual basis by the Legal and Compliance Department.

These principles of behaviour are effective and must be applied also in occasion of trade show events and other meetings with Competitors.

3.10. Norme Antitrust

The Company pursues its own success with respect of all national and international laws for fair competition with particular attention on that the Company's activities and Recipient's behaviors don't constitute prohibited cases as e.g. competition-restricting agreements, abuses of dominant position, cartels.

* * *

4. Relations with the Public Administration and with private subjects

4.1. General Principles

In all kinds of relations with the Public Administration and with private subjects, it is explicitly forbidden to conduct, or instigating others to conduct corruption practices of any type. The Recipients must act complying with the principles of fairness, truthfulness and integrity. In particular, relations with the Public Administration, public officials or subjects in charge of public service and private subjects must be based on strict compliance with the enforceable laws and rules and with internal procedures, so as to preserve the Company's integrity and reputation.

Managing commitments and relations, of any kind, with the Public Administration, public officials or subjects in charge of public service and private subjects is exclusively up to the corporate offices specifically set up and to the authorised personnel, according to the internal procedures. In all cases, documents regarding the situations that entail a relation between the Company and the Public Administration and private subjects must be diligently preserved.

In the event of accesses, inspections and verifications by public officials or subjects delegated by the private client at the Company, the Surveillance Body must immediately be notified.

While relating with the Public Administration (e.g. Inland Revenue, Finance Police, INPS national insurance, INAIL national insurance against accidents at work, ASL health care units, Firemen, etc.) and with private subjects, the Recipients of this Code of Ethics must refrain from:

- offering working or commercial opportunities to the subject involved in the negotiation or relation, to his relatives or to subjects somehow linked to him/her;
- offering the aforesaid subjects gifts or benefits, even through third parties, other than commercial courtesy acts of low value;
- from attempting to obtain confidential information from the subject involved in the negotiation or relation;
- unduly affecting, even via third parties, the decisions of the involved institution.

4.2. Rules for third party representatives in relations

Advisers and any external subject representing the Company in relations with the Public Administration or with private subjects must accept and abide by the rules of this Code of Ethics. Failure to do so will result in the termination of the contract existing with the Company and, in all cases, compensation for damage.

In the relations with the Public Administration and with private subjects, the Company will not be represented by third parties should this lead to a conflict of interest or should it hinder the activity of public Surveillance Body committees.

4.3. Use of the Public Administration's IT systems

It is forbidden to alter or attempt to alter the functioning of IT or telematic systems of the Public Administration, as well any attempt to manipulate the stored data.

4.4. Relations with the Surveillance Body committees

In the relations with the Surveillance Body committees, it is explicitly forbidden to conduct or instigate any sort of corruption. The Recipients undertake to diligently abide by the provisions set forth by the competent authorities so as to guarantee compliance with the current laws in the sectors linked to the relevant activity areas.

In forwarding all data, communication or warning, be they compulsory or discretionary, the principles of fairness, truthfulness, transparency and diligence must be respected, carefully checking all the notifications that are forwarded.

All aforesaid subjects also undertake to comply with any legitimate request proceeding from the abovementioned authorities within their monitoring sphere of information and inspection, ensuring full cooperation during the investigative procedures and avoiding any obstructive behaviour or lack of cooperation.

4.5. Funding

Public

The Company does not benefit from relations with the Public Administration, other than the setting up of legal contractual relations, based on measures granted legally, namely via the allocation of any sort of provision, lawfully obtained and to be used for the established purposes.

It is strictly forbidden for Recipients and for any other subject that may act in the name of and on behalf of the Company to unduly obtain benefits to the detriment of the Public Administration; hence said subject must never:

- illegitimately receive contributions, funds, soft loans or other similar allocations, regardless of their title, granted by the Public Administration, by using or submitting false or mendacious documents, or by omitting information that should be given;
- use contributions, subsidies or funds allocated for public works or for public interest activities for purposes that differ from the original ones;
- use contributions, subsidies or funds allocated for specific activities, authorised by the Public Administration allocating the sum for purposes that differ from the original ones;
- illegally obtain any kind of benefit (licences, authorisation, tax breaks and allowances, even concerning national insurance, or non-payment of pension contributions, etc.) for oneself, for the Company or for third parties, to the detriment of the Public Administration, via trickeries or frauds (e.g. sending false documents or documents certifying false elements).

Private

The Company holds financial relations with private subjects via contractual relations based on transparency, fairness and good faith.

Any commercial practice based on corruption, illegitimate favours, unfair practices aimed at obtaining illegal benefits or different economic conditions.

4.6. Prohibition of Passive Corruption

As a matter of principle, the Recipients are not permitted to ask current or potential business partners to grant personal benefits, such as gifts, prizes or invitations, for themselves, for those close to them (such as spouses and relatives) or for other third parties (e.g. friends or sports clubs). Dispositive in this regard are the specific circumstances of the individual case, particularly the following factors:

- Value of benefit;
- Closeness in time to a business decision in which the recipient has an influence and that is relevant for the gift giver;
- Position of the recipient within the Company;
- Social appropriateness of the acceptance of the benefit;
- Frequency with which the benefit is granted.

In no case can cash, checks or gift certificates be accepted. This rule applies also if this were to be customary according to local customs and traditions.

The assumption of travel expenses and expenses for accommodation by a business partner, e.g. within the scope of an invitation to an in-house trade show at a customer's location, can be accepted

only if the expenses are not inappropriately high and the acceptance was approved in advance by the respective manager.

Only in justified exceptional cases can gifts and invitations for spouses and relatives be accepted. The same rule applies to the assumption of travel expenses and expenses for accommodations of an affiliated person within the scope of an invitation by a business partner.

Participation in sweepstakes and raffles carried out by business partners (e.g. customers, suppliers or consultants) is generally permitted. However, prizes can only be accepted if this cannot lead to the impression that a consideration can be expected in return. Therefore, the same rules apply for acceptance of a prize as for acceptance of a gift.

Gifts, prizes or invitations can only be accepted if they are sent to the business address and are admissible under consideration of the above factors. If they are sent to a personal address they must be presented to the respective manager or to the Legal and Compliance Department. These should also be consulted if an employee is not certain if he or she can accept a gift, a prize or an invitation. In this connection also, it is important to note that lack of transparency is an indication of prohibited conduct.

If gifts or other gratuities are declined, it is important to explain that the gift or gratuity cannot be accepted in accordance with the Ethical Code.

* * *

5. Corporate crime rules

5.1. General Principles

To avert corporate crime, the Company demands that recipients comply with the following:

- balance sheets and financial reports, as required by law, shall be clearly drafted and provide a truthful and accurate account of the Company's asset and financial standings;
- reports to the Surveillance Body shall not include untruthful accounts of the Company's economic, asset and financial standings, nor shall they feature omissions with respect to the latter;
- information and statements addressing the market must prove truthful and verifiable;
- all financial reports shall be accurate and transparent and provide prospective investors with all the necessary and relevant information in order to assess investment risks and opportunities, the Company's financial standing, as well as the quality and integrity of the Company's accounts and external communications thereto;
- mandatory tax statements, communications and deposits with the Company Registry shall be submitted by the designated Company officials in timely and truthful fashion;
- Communications to partners, the board of auditors, external auditors and the Surveillance Body, namely all parties with an accounting oversight role, shall be detailed, accurate and truthful. It is forbidden to inhibit or prevent said parties from carrying out their oversight mandate.

5.2. Equity Operations

The Company pledges to protect ownership equity as well as the credit of partners and that of third parties in business liaisons with the Company.

It is forbidden:

- to save for capital reduction operations, to refund partners of their ownership equity, exempt them of due payment thereof, or conceal intentions thereto;

- to perform profit payments or pay dividend instalments in the absence of profits or drawing on profits earmarked for reserves and to draw on capital reserves;
- to perform capital reductions, mergers or demergers which breach creditor protection laws;
- to fictitiously establish or increase company capital by distributing company shares or equity at below nominal value, via stock or stake swaps, by inflating book value of goods in kind or receivables, and to fictitiously establish or increase Company assets during overhaul;
- to carry out any unlawful operation involving shares or equity;
- to carry out any kind of operation damaging to creditors;
- to carry out any undue repartition of equity during liquidation.

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6. Market Reporting

6.1. Information and Statements

The Company is committed to providing truthful, timely, accurate and transparent reports to the market. In that respect, all communication is entirely entrusted to the Board of Directors and/or designated Board members. Should business considerations warrant that information concerning the company and its goals, operations, performance and opinions be provided by Recipients outside the Board (e.g. at congresses, seminars or via publications), said parties require the Board's written consent and the Board shall specify eligible topics, contents and opinions.

Information on Competitors receives from Customers/Suppliers can in principle be accepted from an antitrust law perspective. The acquisition process of information on competitors must be traceable.

6.2. Privileged Information

All information and documents received and processed by Recipients while performing their duties at the Company are the sole property of the Company. Said information and documents may involve information which is either undisclosed or due for disclosure. It is strictly forbidden for any Recipient to use knowledge of significant or undisclosed Company information to gain personal advantage or to grant such an advantage to family members, acquaintances or any third party.

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7. Company Asset Use and Protection

The Company's Use and Protection received and processed by Recipients while performing their duties at the Company are the sole property of the Company. Said information and documents may yet information, technical skills (developed and used by members of Management, the Board and Employees), licensing rights, own and third-party brands and patents.

Securing, protecting and safekeeping such assets is fundamental to safeguarding the Company interests. Each and every member of Management, the Board and Staff is personally responsible for maintaining such security.

Managers, Directors and Employees shall use said assets for Company purposes only and solely to perform their duties as defined by Company mandate.

7.1. Company IT Systems and hardware, the Internet and Email

Inappropriate behaviour, however inadvertent, may damage the interests of the Company, Recipients or business partners, and all Recipients with access to the Company's IT systems shall comply with internal Company rules defined for each division or unit.

Personal computers, mobile and landline communication devices, tablet PCs and all programmes and/or applications provided by the Company to Recipients are work tools.

Therefore:

- they are to be handled appropriately;
- they are to be used for work purposes and can only be used for personal purposes provided permission is granted;
- any theft or loss must be reported to the police first and to the relevant Company division second;
- any malfunction or damage must be promptly reported to the relevant Company division.

Using software and/or hardware to either seize, tamper, counterfeit or edit out the contents of communications and/or digital documents is strictly forbidden.

Use of the Internet and of the Company's emails shall be consistent with the Company's policies and with law provisions. In particular, behaviours which, by their nature, either involve a crime and/or are offensive or discriminate based on gender, age, language, religion, race, ethnic or national groups, disabilities, social groups, industrial opinions and/or trade unions memberships and sexual preferences are strictly forbidden.

7.2. Industrial Property

Company know-how and technical experience, as developed and fostered by, to and from members of the Board, Management, as well as licensing rights, brands, patents and other forms of industrial and intellectual property are core Company assets.

Securing and protecting said assets is crucial to safekeeping Company interests. The Company endeavours to ensure that rights to any such goods or documents are duly protected, and that knowledge of relevant laws and regulations pertaining to industrial property is made available to all Recipients.

The Company hereby confirms that it will not seek business success by breaching competitors' or third parties' industrial property rights.

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8. Confidentiality and Discretion

8.1. Treatment of Company Information

Any news, information or material concerning the Company's organisation, dealings, financial and commercial endeavours, and know-how on matters and contents such as contracts, decisions, reports, notes, studies, technical drawings, photographs and more, as received by a Recipient for Company work purposes, are solely the property of the Company. Said news, material and information may relate to past, present or future events, including information yet to be divulged and upcoming announcements.

It is forbidden for Recipients to make use of said information for personal or third-party gains, or for them to divulge such information to third parties or use it in ways that may damage Company, Recipient or Partner interests.

Likewise, the Company hereby confirms that it will not seek business advantage by unlawfully exploiting knowledge of confidential information concerning competitors or third parties.

In relation to communication and disclosure of the internal and external correspondence (e.g. e-mail, correspondence, internal and external notes, appointment calendars, computer files, etc.) care should be taken that the statements are clear and unequivocal and in accordance with the system of powers and functions.

Behavior in occasion of association activities, meetings, trade show events and other meetings must be based on strict confidentiality and with respect of the competition law.

8.2. Data Storage and Privacy

The Company undertakes to protect information pertaining to Recipients, suppliers, business partners and other third parties, as generated or acquired via its business dealings, and shall ensure that said information is not used inappropriately.

The Company strives to ensure that personal data processed by it shall be treated in compliance with standing privacy laws and regulations. Said data shall be processed and used lawfully and appropriately.

On the understanding that divulging or using information pertaining to the Company's organisation in ways damaging to Company interests is strictly forbidden, Directors, members of Management, Employees and Collaborators shall:

- only obtain and process data strictly required for purposes warranted by their contractual obligations and directly pertaining to their mandate;
- obtain and process said data pursuant to provisions under current laws and regulations and Company procedures, and in so doing complying with Company circulars to the parties internally designated with processing personal data and/or the parties entrusted with protecting said data;
- store said data so as to prevent unauthorised parties from accessing them;
- only forward any such data in compliance with set procedures and/or upon official authorisation and, in any case, upon verification that said data is eligible for disclosure. Directors, members of Management, Employees and Collaborators are under obligations to ensure that any Company information that they may process pursuant to their mandate remains strictly confidential;
- ensure that information pertaining to third parties with any ties to the Company is not subject to limited or full non-disclosure constraints and shall obtain said parties' waivers should that not be the case;
- organise said data in ways such that parties accessing them are afforded a clear, accurate and truthful picture.

For the purposes of full and proper Company strategy implementation, Directors, members of Management, Employees and Collaborators shall, in all circumstances, refrain from providing any comment concerning Company undertakings and/or goals either set or achieved.

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9. Disciplinary Proceedings and Sanctions

Breach of the hereby Code of Ethics, namely the performance of actions or behaviours non-compliant with said codes provisions or failure to perform actions and behaviours therein prescribed, may issue in breach of contractual obligations pursuant to standing laws and regulations and, if

applicable, collective contracts, and may therefore result in sanctions up to and including dismissal and liability for any damages incurred by the Company.

Applicable sanctions are detailed by existing laws and/or collective contracts and while sanctions shall be proportionate to the extent of the violation, they shall not prove demeaning to the individual.

Sanctions are issued by designated Company officials.

Sanctions for breach of the hereby Code of Ethics by advisers, representatives, managers, partners, contracted staff and by goods and services suppliers are set forth in the individual contractual agreements.

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10. Code of Ethics Breaches and Further Requests

Any information pertaining to potential breaches of the letter and spirit of the hereby Code of Ethics must be immediately reported to the Surveillance Body:

- Lawyer Ruben Pescara, Foro Buonaparte 70, Milano, OdV@defendi.com, tel. 3336869059;
- Engineer Rosalba Murolo, E.G.O. ITALIA S.r.l., Via Direttissima del Conero 29, 60021 Camerano (AN), OdV@defendi.com, tel. 3371224727.

Anonymous reports are permitted, but the Company encourages parties to report said breaches with a view to carry out full an proper investigation of the claims.

The Company shall provide protection against all forms or reprisal to any parties reporting on potential violations of the hereby Code of Ethics or relevant laws in good faith and to all parties assisting the Company in its efforts to investigate such claims. Save for instances where disclosure is mandatory by law and with the exception of erroneous or malicious reporting, the identity of said parties shall not be disclosed.

The Company encourages Recipients' clarification and further information requests concerning the hereby Code of Ethics.

Under the appropriate circumstances, recipients may elect, without prejudice, to file clarification requests or reports directly with the Surveillance