



# Code of Conduct

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NOTE: This document is the English version of Italian document; some enclosures have not been translated because they refer to internal documents.

## Introduction

At present companies take on more and more responsibilities, and not only as for the economic effects of their business. In fact they play more extensive and wide roles.

While efficiently complying with more and more requirements, companies should prove their awareness that their production cycles and consequent final products include interests which do not only affect the consumer, but the citizen mainly.

These are interests that aim at protecting the environment, health, safety and security, jobs, future and the wealth of the entire community as well as the social relationship system.

Within such a frame, excellence is always looked for and promoted when supplying products and services through a constant and punctual stimulation of the design, research, production and sale processes, in the respect of any employee, customer, supplier and the environment where the factory is located.

Therefore the company decided to enforce the present Code of Conduct drafted as a real Declaration of Relationships that the company develops with its Stakeholders (shareholders, customers, employees, suppliers).

The Code of Conduct defines values the company strongly believes in and which it would like to be committed to, it puts forward the principles of conduct they depend on, according to the relationships with its Stakeholders. Such a tool is functional to the increase of everybody's consistency inside the company as to get the confidence of the relating interlocutors.

The present Code of Conduct, integral to the contract commitments which any Company consultant signs, is destined to the following operating units:

- Finsuge S.p.A – service company in Suzzara in via XXIII Aprile, 35/A
- Bondioli & Pavesi S.p.A. – production units in Suzzara in via XXIII Aprile, 35/A, via dell'Artigianato 5/B (CGH), via della Pace 1 (COMS);
- Bondioli & Pavesi Sales & Logistics S.p.A.– production units in Suzzara in via XXIII Aprile, 35/A and in via dell'Artigianato 3/B (Terminal), production units in Pieve di Cento (Bo)in via Zallone, 20.
- Dinoil S.p.A. – company in via C. Colombo,5, Montecchio Maggiore (VI)
- FIRA S.p.A. – company in Strada Statale 374/B Dosso di Sant'Agostino (FE)
- HP Hydraulic S.p.A. – company in via Zallone, 20, Pieve di Cento (BO)
- Tecnomek S.p.A. – company in via dell'Artigianato, 19, Lestans di Sequals (PN)

Hereinafter they are referred to in the rest of the text, briefly, as “companies”.

The Code of Conduct for the above-mentioned companies is available to any employee, shareholder, partner and supplier in pdf format on the company intranet web site.

A hard paper version is distributed to any employee and newly-hired operator.

## Company mission

Companies work as to supply excellent products and services to their customers, profiting from the highest possible development in each single territory. Companies strongly believe in growth duly paying attention to sustainability in time of results and aiming at consolidating them on the reference markets.

Such a result can be only obtained through a virtuous loop based on confidence, competences and relationship transparency based on the customer and shareholder satisfaction, on the company family membership, on the closeness to the real requirements of communities and territories.

## Reference values

The reference values are the expression of the company culture and they represent on the one side a tool allowing better complying and interpreting the various possible situations and on the other a gold which to tend to as a unique and outstanding feature of the company activity aiming at the future.

The growth strategy aims at creating stiff and solid values, under the economic, social and environmental view point, based on confidence of the actors and mainly based on the hereinafter listed values.

### ***Loyalty and transparency***

The company directors, managers and employee uprightly behave, well balanced and respecting each others. They are all inspired by profound principles such as honesty, correctness, transparency and good faith to the Stakeholders and other people they interact with, for whatever reason, when carrying out their businesses.

The management should stand out for its upright behaviour, transparency, loyalty besides discouraging attitudes and conducts which are not in line with the company values.

### ***Value of the person***

The value of the person as such drives the way of conducting, listening and speaking as a driver for a constant improvement of any relationships with the company stakeholders.

Within the above-mentioned companies, people represent an absolute and unique value: thanks to their individual contribution companies reached the present positioning and are able to keep it as well as to confirm their credibility and fame.

### ***Equity***

Any discrimination whatsoever is forbidden in any conduct and everybody is committed to comply with any difference in terms of genre, age, race, religion, political party or trade union membership, sexual direction, language or skills.

### ***Sense of affiliation***

For the above-mentioned companies the sense of affiliation to the company means sharing the same goals, being proud to be part of the single company and the company group, mutually supporting each other, mainly in case of problems.

### ***Excellence of the product and service***

The above-mentioned companies share the constant goal, unique in their DNA, to constantly improve, challenging the future, anticipating any challenge, cultivating the staff widespread creativity, and enhancing their merits, whenever required.

### ***Team work and competence***

Be part of a group is everybody's right. Gather a winning team is a duty of the Management of the above-mentioned companies. The operators should in general drive and spur team work among colleagues, motivate and involve them, stimulating interdisciplinary and multifunctional working team, efficient and effective as well, to professionally take part to the team, with the highest possible co-operation and result-oriented. Thus each employee will increase his/her competence thanks to the constant technical exchange.

### ***Social and environmental commitment***

Enforcing a social, humanitarian, environmental, health-care and safety-oriented activity as well within the working environment means actively interacting with the Civil Society, actively playing a role in reaching the social wealth.

Any employee is requested to professionally take part and co-operate to any social initiative, organised by the above-mentioned companies and they are supposed to enforce environmental and health-care-friendly behaviours, for themselves and their colleagues.

The Management should support and drive mutually respectful relationships between employees, through its example as well.

## **Conduct and behavioural principles and relating standards**

The Code of Conduct, mainly, is binding for any employee and external consultant as well of the above-mentioned companies (hereinafter called "Consultants").

More precisely any consultant is requested to:

- ⊕ Act and behave according to the regulations in force, as for the main issues defined in the present document.

In Enclosure A, there is the list of the Italian criminal code as for any issue disclosed in the present Code of Conduct. Inside Enclosure 2 there is the list of some documents defined by the companies, relating to the behavioural principles to comply with

- ⊕ Act and behave according to what specified in the Code;
- ⊕ Signal to their managers any violation to the Code, whenever informed;
- ⊕ Co-operate in the definition and compliance with the internal procedure set to enforce the Code;
- ⊕ Refer to the relating manager as for the parts of the Code to be interpreted and/or clarified.

Suppliers, commercial Partners - as well as everybody directly or indirectly working at any level whatsoever with the above-mentioned companies - to correctly behave according to what specified in the Code of Conduct.

## 1 Relationships with the shareholders

A constant dialogue is to be kept with shareholders, while committing to:

- Promptly inform them about any action and decision which could consistently affect their investment;
- Provide the availability, in due advance, of the documents for the meeting;
- Provide for the ordered and functional meeting operations, in compliance of the fundamental rights of any shareholder to ask for information and clarifications on the different discussed topics and to express his/her opinion;
- Provide for efficient facilities as to manage the relationships with shareholders.

## 2 Relationships with suppliers

The relationship with the company suppliers must be mainly managed by appointed managers or operators.

### 2.1 Selection of the supplier – Certification of the supplier

Purchase and supply processes are substantially based on an edge or competitive advantage for the company, on the possibility to grant equal opportunities to each suppliers and what is more they are based on pre-contractual and contractual behaviours mainly loyalty -, transparency -, confidentiality - and co-operation-oriented.

The Group should check all the available information on its commercial partners, as to check their respectability, and the legitimacy of their activities before starting any business relationship.

People thus appointed should not allow any supplier, entitled and with the due requirements, competing to be assigned a contract, while enforcing when selecting possible candidates substantially objective and documented criteria. Principles any supplier relationship is based on, during the selection and then throughout the entire supply relationship, are defined in the quality system procedure PG10 “Supply management”.

Among the different contract documents governing the relationships with any supplier, whenever required, there is the Confidentiality Agreement, as well as the Supplier Code of Conduct (the latter is a document by which the principles contained in the Code of Ethics are considered across the whole supply chain). The document describing modes and methods to manage and disclose confidential information is procedure PG12 “Confidential information management”.

### 2.2 Integrity and independence

Any relationship with supplier is governed by common principles, constantly monitored by the company. Any contract signed with suppliers is to be based on clear principles, avoiding dependency whenever possible.

Thus company suppliers should inform the company when their turnover is higher than 50% of more of its total turnover.

It is furthermore not at all correct to drive a supplier to sign unfavourable contracts, while promising a following more profitable contracts.

As to be transparent and efficient throughout the purchasing process, appointed people should keep in compliance with regulations in force or according to the internal procedures, any document relating to single choices of any supplier, whenever documented.

### 2.3 Supply ethical issues

Nobody working with the above-mentioned companies, even under pressure, should promise and/or pay or receive money, promise and/or grant whatever goods or benefits, indirect too to any supplier, simply aiming at promoting or supporting the interests of one of the above-mentioned companies.

Nobody working in a company is entitled to avoid complying with similar prescriptions, for example turning to different types of benefits or contributions through sponsoring, charges, consultancies, ads, etc., aiming at the same goals. The companies will pay in time any performance, good or service provided by a supplier.

The Group carries out its business activity in compliance with anti-money laundering legislation and of any rule approved by the competent authorities, thus refusing any suspect activity in terms of correctness and transparency.

### **3 Relationships with customers**

The Group promotes the company success complying with any customer requirement, professionally, correctly and honestly working in compliance with any regulation on loyal competition. Honorability and professional expertise of its commercial partners are the foundation any Group economic relationship is based on. Companies should work with reliable and sound commercial partners. Thus it is entirely forbid to develop any business relationship with companies which are not commercially reliable and professional.

Any relationship with customers is to be mainly managed by the appointed departments and consultants, as reported in the Quality system procedure PG08 "Processes relating to the customer".

Among the different contract documents regulating the relationship with the Customer, whenever required, there is a confidentiality agreement. The document describing the confidential information mode management is procedure PG12 "Management of confidential information".

#### **3.1 Impartiality with the customer**

Everybody is committed not to substantially discriminate arbitrarily any customer.

#### **3.2 Ethical aspects of the consultants to the customers**

The behavioural style of any consultant as for any assigned task and for relationship with customers is mainly based on the following elements:

- ⇒ Enforcement of a correct, friendly and available behaviour in any situation;
- ⇒ Signalling to the appointed supervisor any problem or critical issue;
- ⇒ Constructive commitments to solve possible problems;
- ⇒ Spreading out of clear and true information;
- ⇒ Protection of the company, shareholders, supervisors and colleagues fame.

Everybody should lead to a co-operative and highly professional behaviour.

#### **3.3 Quality and Customer Satisfaction**

Everybody is committed to provide for very high quality standards for offered products and services, according to predefined levels and to periodically monitor the perceived quality, in line with what defined in the Company quality system procedure, APQG03 "Processes relating to the customer".

### **4 Relationship with the institutions**

Company relationships with the local, national, community and international public institutions are managed by the appointed company managers and consultants, in compliance with the regulations in force and according to the general correctness, loyalty and transparency principles.

Similarly any other relationship with public officers or people liable for public services, or bodies, representatives, agents, managers of public functions, public institutions, public administrations, public and economic bodies, institutes and local, national or international public companies.

No change to all the obligations imposed by the relations in force, any consultant should avoid - during any business relationship, requests or commercial relationships with public institutions or officers - enforcing (directly or indirectly) the following actions:

- Examine and suggest employment or commercial opportunities to the benefit of the employees of the Public companies or officers, with a personal interest;
- Offer or supply, accept or encourage gifts, favours or commercial and behavioural practices which are not based on transparency, correctness and loyalty, and anyhow which do not comply with the application regulations in force;

- Solicit or get confidential information possibly compromising the integrity or fame of both parties or however violating an equal treatment or public evidence procedures enforced by public institutions or officers.

#### **4.1 Public financing**

Contributions, aids, financing, loans at preferential rates and any other benefit received from the Public administration (including tax reliefs, licences or authorizations) should only be based on legal provisions and they only should be destined to the main purpose they are granted for.

It is severely forbidden to provide for economic advantages through false or misinterpreted documents, or tampering any demanded information.

At the same time it is forbidden to use any aid, provided benefit or financing what so ever for different propose then what they are granted for.

The different liable subject throughout the different project phases are to be identified, clearly and separately identifying people liable for the production processes and people liable for in-progress document drafting. What is more specific hierarchical control activities are forecast on practices and on the documents to be forwarded to the competent institutions

#### **4.2 Relationship with the Judicial authorities, Inspectorates and Control authorities as well as with the Police.**

Any relationship with the Judicial Authorities, police and inspectorates (INPS, Labour Ministry, Inland Revenue Office and any other Public administration) are constantly to be based on availability and co-operation.

The receivers of the present code, according to the enforced provisions for each single activity sector, should promptly and transparently respond to any request forward by Public authorities.

It is entirely forbidden to change, supplement, destroy documents, accounting registers, minutes and records as to put forward any false declaration to the competent Authorities in case of judicial procedures, surveys or inquiries.

It is not allowed to influence whoever is liable for controls or inspections with gift, cash or whatsoever benefit.

### **5 Relationships with the competition**

The commercial development company activity is to be enforced, in general, in compliance with correct economic principles, in a regular market context, and loyally competing with Competitors.

### **6 Communication to the outside**

The company communication to any stakeholder (through the mass media too) is substantially based on the information right respect. No false or incorrect information and/or comment can be disclosed.

Any communication activity complies with the regulations, rules, professional behaviour practices and it is clearly, transparently and promptly enforced, protecting among others the price-sensitive information and any industrial secret.

Any pressure or favourable attitude by the communication means is not correct.

As to provide for complete and coherent information, the company relationships with mass media are only managed by the appointed department.

It is useful to take part to conferences, seminars and working table, besides scientific, social and economic publication presence as for any activity according to the following general behavioural rules:

- Participation to any congress to a limited number of company consultants;
- Early communication to the company of the relating willingness to take part to a company event or reception by the management to take part to the events;
- Approval by the company management or any appointed manager, of technical/scientific documents, drafted to the publishers.

### **7 Economic relations with political parties, trade unions and associations**

Companies are not entitled to finance any political party in Italy and abroad, their representatives or candidates; they are not allowed sponsoring any congress or party with a political propaganda goal.

They must avoid any direct pressure on political members (for example granting company facilities, signalling for employment, consultancy contracts).



In general the companies do not pay any contribution to organisations in case of conflict of interests (for example trade unions, environmental-protection associations or customer protection associations as well). However it is possible to co-operate, financially too, with such organisations for specific projects according to the following criteria:

- Goals linked to the company mission;
- Clear and documented destination of resources;
- Explicit authorisation by the appointed departments to manage such activities and relationships within the company.

## **8 Gifts and benefits**

It is substantially forbidden to offer, directly and indirectly, and to personal benefit, money, gifts or whatsoever benefit to customers, suppliers, partners or whoever has any relationship with the above-mentioned companies as to offer unfair advantages.

Commercial courtesy acts, such a gifts or hospitalities, are only allowed after being authorised by the manger, low in values and however not compromising one of the parties integrity and fame, and not affecting the receiver judgment independence.

Similarly no company consultant should receive, in general, any gift, invitation or favourable treatment, if not within any courtesy normal limits and however with a symbolic value. In all the others cases, consultants are liable for signalling any episode to their supervisor, deciding then whether to return the gift or to better use what received, while informing the donor of the company principles on the subject.

## **9 Relationship with consultants**

### **9.1 Staff selection**

The staffs to be employed selection is mainly enforced according to the correspondence of any candidate profile to the expected company requirements, granting equal opportunities to everybody.

Requested information is strictly linked to the assessment of the person professional or psycho-attitudinal profile, in compliance with privacy and candidate opinions as well.

### **9.2 Set up of a working relationship**

The staffs are hired according to a regular labour contract. No tolerance to any working activity against the law.

When signing a labour contract, any consultant generally gets the following information relating to:

- ⇒ Features of the tasks and activities to be enforced;
- ⇒ Regulation and compensation issues, according to the national labour contract;
- ⇒ Regulations and procedures to be adopted as to avoid possible health-care risks connected to the company activity;
- ⇒ Procedures to be enforced as to guarantee the company information and data privacy which the consultant will be informed of and which are identified as confidential by the company, according to what reported in the dedicated procedure within the Quality system PG12.

The consultant is disclosed such information as to allow the contract acceptance being based on a real mutual understanding.

### **9.3 Staff management**

Companies avoid any sort o discriminations against the consultants.

As for management and staff development process during the selections as well decision taken are based on the correspondence between expected profiles and available profiles of the consultants (for example in the case of promotion or transfer), and/or on merit considerations (for examples incentives granted according to the reached results).

Access to roles and tasks is defined taking any competence and skill into account. What is more according to the general operating efficiency, flexibility of the working organisation is supported in compliance with the labour contract and with the regulations in force.



The consultant assessment is mainly enforced in compliance with the single manager proposals after listening to the appointed manager requests, trade unions and whenever possible, people that assessed the consultant. The final decision is taken by the Manager or her/his appointed representative.

#### 9.3.1 Disclosure of personal information

Information on the staffs is mainly available to any consultant through the company communication tools (organisation and communication documents to managers, communications and declarations available on the company notice board, communications spread out on the delivery of the payrolls, through the company newsletters).

Information spread out to the staff mainly deals with: working times, holidays, salary equalization fund, information on the company development, safety, security and health within the working environment, recently hired people, enjoyment and playful proposals, compensations connected to the national or company labour contracts or based on different trade union contracts, production trends, company technical and organization issues.

#### 9.3.2 Resource enhancement and training

Managers profit and support, whenever possible, professionalism of people present within the structure, while activating any possible lever to enhance development and growth of the consultants (through job rotation, coaching by expert staff, experiences leading to higher liabilities activities).

Thus communications by the managers on strengths and weaknesses of the staffs are extremely useful, as the consultant should then try to improve his/her competences through a targeted training.

Companies provide, whenever required, to their own staff, information and training tools, aiming at enhancing and improving their specific competences and preserve and protect their staff professional value. Generally people are driven to attend internal and external courses (for example by machine manufacturers), and any available course is advertised on the notice board.

The definition of the training requirement, training modes and assessment of any action and measure enforced are specified in the dedicated procedures in the Quality system, PG06 "Resource managers".

#### 9.3.3 Working time management of the workers

Each manager should correctly organise the working time of their consultants, asking for performances consistent with the roles and working organisation plans as well.

A clear abuse of authority, as due measure enforced by the higher supervisor, implies the request of performances, personal favours or any behaviour violating the present Code of Conduct.

#### 9.3.4 Involvement of consultants

The staff and consultant involvement is driven when working, including attendance to discussion or functional decisions while aiming at reaching the company goals.

The consultant should take part to such an activity in a cooperative way and with his/her independent judgment.

### **9.4 Intervention on the job organisation**

In case of a job re-organisation, in general the value of any human resource is protected, enforcing, whenever possible, training and/or professional requalification measures.

Companies mainly comply with the following criteria:

- Charges and burdens of the re-organization are as most uniformly as possible spread on all consultants, in line with the effective and efficient company activity:
- In case of new or unforeseeable events which are to be explained, anyhow, the consultant can be turned around and move to different activities in comparison to his/her previous tasks, paying attention to duly preserve his/her professional skills and competences.

### **9.5 Safety, security, health and environment**

Companies cover the entire value chain, looking for the best quality levels, and duly paying attention to the safety on the job and to the environment where consultants work. Thus companies consistently invested in

installations and machineries to improve safety standards, environments and training/information activities of their staff.

The competent manager, in general, monitors and does his/her best as to grant a suitable working environment in terms of staff safety, security and health, in line with the regulations in force on the matter and according to the what reported and forecast in the company documents relating to the environmental issues and safety, security and health as well (company policies, education and prevention projects, sensitivity campaigns).

Similarly the competent manager, in general, monitors and checks that the environment is protected and the production activity complies with the relevant legal regulations and company procedures, among which (only for Bondioli & Pavesi S.p.A. **and HP Hydraulic S.p.A.**) there are technical standards, such as ISO 14001 and following changes and additions, whenever required.

The documents "security, safety and environment documents" can be consulted in the dedicated area on the company internet site, whose list is annexed to Enclosure n. 1 of the present document.

Documents relating to the environment can be consulted in the dedicated section of the company intranet web site section inside the folder "Documents for the environmental management system".

Bondioli & Pavesi Group operates in full conformity with the legal system of the European Union in terms of use of chemicals; for instance, we can mention the Regulation (EC) No 1907/2006 (REACH) and the RoHS Directive 2002/95 EC, as well.

Companies are mainly committed to spread out and consolidate a security, safety and environmental protection culture, developing the awareness of risks, promoting responsible behaviours by consultants. What is more they do their best to protect, through preventive actions mainly, operator security and safety as well as the environment where they work and the external environment as well including the stakeholders' interests.

Companies mainly tend to protect their own human, asset and financial resources constantly looking for synergies required not only inside companies but also in co-operation with suppliers and involved customers in their activities.

In general companies implement activities as to prevent and monitor on the reference scenario evolution and the consequences of the change in risks, aiming at defining and define technical, organization and training interventions mainly oriented to safety.

Substantially through:

- ⇒ Safety and environment organisation models
- ⇒ A constant risk and criticality assessment as for safety and environmental processes;
- ⇒ Enforcement of the best possible technologies in line with the company requirements and strategies;
- ⇒ Control and update of working methods;
- ⇒ New training and information and communication proposals

As for the supplier access and more in general of people from outside the company, they can view information documents on safety and most suitable access modes, movements and exist from the above-mentioned companies. Documents referring to provisions for outside people are annexed to Enclosure 1 to the present document.

## **9.6 Protection of the privacy**

The privacy of any consultant is protected enforcing standards including information that the company asks to the consultant and relating processing and storage, as specified in the Programmed document on the company safety (Enclosure 2 of the present document).

Any survey on ideas, preferences, personal tastes and in general private life of consultant is forbidden. Such standards forbid, with the exception of any assumption permitted by the law, spreading out/disclosing personal information without the approval of the person affected in due advance and set the rules as for the control by each consultant, of standards to protect their privacy.

### **9.7 Integrity and people protection**

Companies are committed to protect the moral integrity of consultants while protecting and offering working conditions complying with their personal dignity. For such a reason, companies protect workers undergoing psychological violence and forbid any discriminatory or harmful attitudes or behaviours against people, their beliefs and preferences (for example, in case of offences, menaces, isolation or excessive invasiveness, professional limitations).

No sexual harassment is tolerated and any attitude or discussion is to be avoided possible affecting the sensitivity of the others (for example images with explicit sexual reference, constant or continuous comments with allusions), as forecast by the regulations in force.

Any company consultant possibly victim of harassment or discrimination for reasons connected to age, sex, sexual habits, race, health conditions, disability, nationality, political opinions or religious beliefs can report what happened to the Ethical Committee then assessing the measures to be enforced in case of a real violation to the Code of Conduct.

### **9.8 Duties of consultants**

Consultants should correctly behave in good faith, as to comply with signed obligations in their labour contracts and with the Code of Conduct, granting the requested performances. They should report through the specific channels any violation to behavioural and conduct rules specified in the internal procedures.

#### **9.8.1 Information management**

The Group is convinced that the disclosure of correct, complete and true information on the company as well as the required confidentiality on any information is required to develop a confidence relationship with its partners. Therefore the Group employees and consultants should keep any company information confidential whenever inform during their employment, they should avoid any unauthorised third party access as well as any information disclosure.

The consultant should recognise and enforce what imposed and forecast by the company policy as for safety of the information as to guarantee its integrity, confidentiality and availability. He/she should process their documents, in a clear, objective and complete language, thus allowing any possible controls by his/her colleagues, managers and authorised subjects asking for them.

#### **9.8.2 Processing of confidential information**

Throughout their activities, the consultants are informed about sensitive data and confidential information as well and they commit to use it in compliance with the regulations in force as for confidentiality and the best practices as to protect privacy as reported in the Safety program document (DPS).

Confidential information mainly consists of:

- Accounting and personal information on customers/suppliers
- Commercial information
- Projects, technical data, initiatives and contracts as for the company activity, which are not known by the wider public
- Forecasts and balance information, consolidated as well, belonging to the companies, until they are disclosed to everybody after the approval of the Financial year and consolidated financial year financial statement.

Such information is only to be processed by authorised employees according to their activity and only for whatever required to carry out their activity.

In general, consultants, for working reasons, requested to be disclosed a confidential information, should not disclose it out to third parties if not obliged to for office or professional reasons, after being duly authorised by the relating supervisor. In the case of communication to third parties, the disclosed information is to be identified as confidential information and therefore the third party affected will have to keep it confidential.

The internal disclosure and disclosure to third parties of any document including confidential information must be organised in an attentive manner as to avoid prejudices against companies and undue disclosures.

Any information not available to the wider public is to be considered confidential and they should only be used within each specific working activity.

More precisely it is entirely forbidden to consult confidential data for unprofessional reasons. Any violation will be punished by a disciplinary measure

The document describing the confidential information management mode is procedure PG12 “Confidential information management”.

### 9.8.3 Conflicts of interests

Any consultant should avoid, in general, any situation where there are conflicts of interest and refrain from personally profiting from business opportunities they were informed of during their activities.

As an example, which is not comprehensive, however, there could be conflicts of interests in the following situations:

- Any management function (managing director, advisors, managers, supervisors) and common economic interests with suppliers, customers and competitors (shareholding, professional activities, etc.)
- Managers of any relationships with suppliers and a working consulting activity, through a relative as well, by the suppliers;
- Accept money or benefits and favours from people and companies intending to have a business relationship with the above-mentioned companies;
- Any collusive behaviour, favour, pressure and solicitation towards third parties as to be granted personal advantages and/or career developments for themselves or others.

In case of any possible apparent conflict of interest, the consultant should inform his/her direct manager, who, according to the forecast modes, informs the company management then assessing case by case the event. The consultant should provide information on the activities he/she carries out in his/her leisure time, in case of possible conflicts of interests with the above-mentioned companies.

### 9.8.4 Transparent accounting and traceability of financial flows

The accounting and relating registrations and records should comply with specific principles, such as truth, correctness and information completeness.

Thus any employee should:

- Correctly and complete record any economic operation and financial transaction;
- Completely, transparently and accurately represent the company activity;
- Correctly store any document referring to any operation, transaction or activity, as to support any possible control or survey in future;
- Logically record and store such documents as to be able to easily track them;
- Allow any control possible confirming the transaction features and motivations;
- Supply any auditors or control entity, internal as well, any complete, true and clear requested information.

Operations which could involve the Group or any company belonging to the latter in receiving stolen goods, money laundering, using of goods or money of unlawful origin, or self laundering, are prohibited.

The traceability of financial flows can be considered as the major hindrance and prevents unlawful behaviour at the same time. For this purpose, the companies belonging to the Group usually spread fiscal and accounting standards to all the employees concerned and establish procedures allowing financial resources to be managed according to these criteria: transparency, fairness and truthfulness.

The traceability of financial flows allows a reconstruction of the accounts regarding each operation to be carried out, and the companies' executives that have determined the utilization of such resources to be identified.

### 9.8.5 Use of the company assets

Any consultant should diligently do his/her best to protect the company assets, through responsible behaviours and in line with the operating documents available to govern their use. Such documents can be consulted in the dedicated company internet site section of Bondioli & Pavesi whose list is available in Enclosure 1 to the present document.

In general any consultant should:

- ⇒ Attentively use any asset he/she is reliable for whenever required
- ⇒ Avoid any incorrect use of any asset he/she is liable possibly leading to damages or efficiency reduction or anyhow against the company interests

- ⇒ Accurately comply, when using the company assets, with whatever reported in any operating document, such as instructions, tables, etc.

Any consultant is liable for protecting resources he/she is liable for and should promptly inform any Department about possible risks or damages the company is running.

It is important to avoid any incorrect use of assets or facilities through accounting, financial control, analysis and risk prevention systems, anyhow in compliance with what imposed by the regulations in force (privacy law, worker bylaw, etc.).

As for information applications, any consultant, in general, should:

- Accurately enforced whatever forecasts in the documents relating to the company safety, as not to endanger functions or protections of IT systems;
- Not forward any compromising or offensive e-mail messages, avoiding any impolite language, not express any inappropriate comments which could offend people and/or damage the company image.
- Not surf on the internet looking for unsuitable, offensive contents, not in line with their role.

The list of the documents relating to the company regulations is annexed in Enclosure 3 to the present document.

## **Control bodies**

### ***Ethical Committee***

Any violation to the Code of Conduct is to be reported to the Ethical Committee, the control body appointed to control the enforcement of any principle put forward in the Code and to inform the Company Management as to decide an enforce any disciplinary measure.

It is up to the Ethical Committee as well to spread out the content of the Code of Conduct, to periodically check its compliance enforcing any changes/integrations required, turning out to be suitable to guarantee an ethical approach which companies enforce in line with their policies.

The main documents used are:

- ✓ communication and ethical training plans;
- ✓ periodical reports on the Health, Safety and Environment protection
- ✓ reports from the internal auditing.

The Bondioli & Pavesi Group Ethical Committee consists from 7 to 10 members appointed by FINSUGE board of directors (the Group holding company), who, on the occasion of its first meeting, appoint their Chairman. At least one member of each Group company is to be appointed.

The Committee lasts for three years and its members can be re-elected.

The deliberations of the Ethical Committee are approved with a simple majority. In case of parity, the President vote prevails.

### ***Internal audit***

The Internal Audit department should periodically, according to a defined programming, audit the different companies in compliance with the Code of Conduct requirements. Results of the audits are documents in special Reports.

The Internal Audit department within the companies reports any reported violation to the Code as a consequence of the ethical auditing activities and suggestions required to the Ethical Committee.

The Ethical Committee, according to the results of the Audit, would enforce any measure as reported in the section "Sanctions".

## **Enforcement standards and relating sanctions**

### ***Enforcement standards***

Everybody working in the above-mentioned companies, receivers of the present Code of Conduct, should comply with the reported principles.

Never the interest of any company can justify any conduct violating and/or different from provisions and procedures.

Whenever the receiver working for the companies is informed about a situation or event against the Code of Conduct principles, he/she should immediately inform the Ethical Committee, through the dedicated e-mail address [codiceetico@bypy.it](mailto:codiceetico@bypy.it) or the e-mail address available at the entrance of any operating site, which the Code of Conduct refers to.

The e-mail address is available to company consultants and Stakeholders as well, as to signal possible violations which directly or indirectly are benefit to the companies or are enforced in their interests.

Any report to be considered, must be absolutely anonymous.

The information will be promptly assessed by the Ethical Committee, assessing any measure to be enforced, and always providing that the discloser will never be reported during any assessment.

The Committee can enforce a disciplinary measure in case no report was made by informed consultants and employees.

Suppliers, customers, Partners – commercials and other subjects receivers of the present Code, are required to comply with principles and standards reported.

### Sanctions

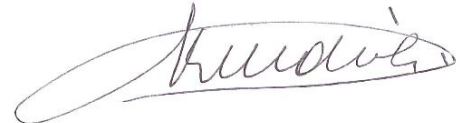
Should the Ethical Committee approve a sanction, the Chairman should enforce the request to the Appointed Consultant (or the company manager), who together with Group HR will approve the applicable sanction.

The HR should enforce any sanction and store/register any record.

Sanctions always comply with what forecast by the regulations in force and by the national applicable labour contract.

Whenever no sanction is to be applied, a simple oral reprimand is to be enforced, duly informing the signaler.

The president of the  
Board of directors  
Cavaliere del lavoro  
EDI BONDIOLI





## ENCLOSURE A

1. Bribery and misappropriation
2. Severe fraud against the State
3. Computer fraud against the State
4. IT crimes and illegal data treatment
5. Crimes on public funds
6. Terrorism or evasion crimes against the democratic order
7. Crimes against identified single people
8. Mutilation against women genitals
9. Company crimes
10. Market abuses
11. Transnational organised crimes
12. Manslaughter and severe or very severe injuries in violation of the accident regulations and the hygiene and health on the workplace
13. Handling, money laundering and use of black money, goods or utilities, *self-laundering*.
14. Environmental crimes
15. Employment of people coming from Third country illegally present on the local territory
- 16. Corruption crimes between private entities**

## 1. Bribery and misappropriation

**Art. 317 of the Italian criminal code** - (Misappropriation)

**Art. 318 of the Italian criminal code** - (Bribery for abuse of functions)

**Art. 319 of the Italian criminal code** - (Bribery for any act against the office duty)

**Art. 319-bis of the Italian criminal code** - (Aggravating circumstances)

**Art. 319-ter of the Italian criminal code** - (Bribery in judicial acts)

**Art. 320 of the Italian criminal code** - (Bribery of a person liable for public service)

**Art. 321 of the Italian criminal code** - (Sanctions for the corruptor)

**Art. 322 of the Italian criminal code** - (Incitement to bribery)

**Art. 322-bis of the Italian criminal code** - (Fraudulent conversion of public money, bribery and incitement to bribery of members of the European Community institutions and officers of the European Community and Foreign Countries)

## 2. Severe fraud against the State

**Art. 640 of the Italian criminal code** - (Fraud)

## 3. Computer fraud

**Art. 640-ter of the Italian criminal code**

## 4. IT crimes and illegal data treatment

**Art.615 ter c.p.** ( Abusive access to the IT or telecommunication system)

**Art.617 quarter c.p.** (Control, defence or illegal interruption of IT or telecommunication)

**Art. 617 quinquies c.p.** ( Installation of any equipment leading to the interruption of IT or telecommunication)

**Art. 635 bis c.p.** ( Damage of information, data, IT programs used by the State or any other public institution or utility)

**Art.635 quarter c.p.** ( Damage to any IT or telecommunication system)

**Art. 635 quinquies c.3 c.p.** ( Damage to any Public utility IT or telecommunication system)

**Art. 615 quarter c.p.** (Illegal control or disclosure or access codes to IT and Telecommunication systems)

**Art.615 quinquies c.p.** ( Spreading of IT devices or programs aiming at damaging or interrupting the IT or Telecommunication system)

**Art. 491 bis c.p.** ( False IT documents)

**Art. 640 quinquies c.p.** (IT fraud of any person liable for the electronic signature certification)

## 5. Crimes on public funds

**Art. 316-bis of the Italian criminal code** - (Fraudulent conversion of public money)

**Art. 316-ter of the Italian criminal code** - (Illegal reception of public money)

**Art. 640-bis of the Italian criminal code** - (Severe fraud as to receive public money)

## 6. Terrorism or eversion crimes against the democratic order

**Art. 3 Law n. 7/2003** – (Ratification of the international conventions for control and repression of terrorism financing dating back to 1999)

**Art. 270-bis of the Italian criminal code** - (Terrorism association and eversion crimes against the democratic order)

## 7. Crimes against single identified people

- Art. 5 Law n. 228/2003 - (Measures against people trade)
- Art. 600 of the Italian criminal code - (Reduction to slavery or servitude)
- Art. 600-bis of the Italian criminal code - (Minor prostitution)
- Art. 600-ter of the Italian criminal code - (Minor pornography)
- Art. 600-quater of the Italian criminal code - (Detention of pornographic materials)
- Art. 600-quater.1 of the Italian criminal code - (Virtual pornography)
- Art. 600-quinquies of the Italian criminal code - (Tourism initiatives leading to minor prostitution)
- Art. 601 of the Italian criminal code - (People trade)
- Art. 602 of the Italian criminal code - (Purchase and alienation of slaves)
- Art. 603 bis of the Italian criminal code - (*Illegal Intermediation and Labor Exploitation*).

## 8. Mutilations against women genitals

- Art. 583-bis of the Italian criminal code - (Mutilations against women genitals)

## 9. Company crimes

- Law decree n. 61/2002 – (Money sanctions against company crimes)
- False social communication – false social communications against companies, shareholders or creditors – false prospects
- Art. 2621 of the Civil Code
- Art. 2622 of the Civil Code
- Art. 173-bis TUF
- Forbidden control
- Art. 2625 of the Civil Code
- Omitted communication of conflicts of interests
- Art. 2629-bis of the Civil Code
- Illegal influence on the general meeting
- Art. 2636 of the Civil Code
- Illegal speculation
- Art. 2637 of the Civil Code
- Compromised exercise of the vigilance public authority vigilance
- Art. 2638 of the Civil Code
- Illegal operation on social or holding company shares or shareholdings
- Art. 2628 of the Civil Code
- Prejudicial operations to creditors
- Art. 2629 of the Civil Code

## 10. Market abuses

- Art. 9 Law 62/2005 – (Privileged information abuse and market manipulation – market abuses)

## 11. Transnational organised crimes

- Art. 3 della L. n. 146/2006 - (Definition of transnational crime)
- Art. 4 della L. n. 146/2006 - (Aggravating circumstances)
- Art. 10 della L. n. 146/2006 - (Body administrative liability)

**Art. 416 of the Italian criminal code** - (Incitement)

**Art. 416-bis of the Italian criminal code** - (Mafia-like association)

**Art. 291-quater of the Presidential decree, January 23, 1973, n. 43** - (Incitement to crime as to sell tobaccos manufactured abroad)

**Article 74 of the Presidential decree, October 9, 1990, n. 309** - (Association aiming at illegally trafficking drugs or illegal substances)

**Art. 12 of the Law decree, July 25, 1998, n. 286** - (Provisions against illegal smuggling)

**Art. 377-bis of the Italian criminal code** - (Drive not to issue declarations or to issue false declarations to the public authority)

**Art. 378 of the Italian criminal code** - (Complicity)

#### **Association crimes**

Conspiracy (art. 416 of the Italian Criminal code)

Mafia-like association (art. 416-bis of the Italian Criminal code)

Risky company activities as for company crimes

#### **Crimes relating to illegal smuggling**

##### **Crimes against justice**

Drive not to issue declarations or to issue false declarations to the public judicial authority (art. 377-bis of the Italian criminal code)

Personal complicity (art. 378 of the Italian criminal code)

## **12. Manslaughter and severe or very severe injuries in violation of the accident regulations and the hygiene and health on the workplace**

**Art. 589 the Italian criminal code** - (Manslaughter)

**Art. 590 the Italian criminal code** - (Personal criminal injuries)

## **13. Handling, money laundering and use of black money, goods or utilities, self-laundering**

**Art. 648 of the Italian criminal code** - (Handling)

**Art. 648-bis of the Italian criminal code** - (Money laundering)

**Art. 648-ter of the Italian criminal code** - (Use of black money, goods and utilities)

**Art. 648-ter 1 of the Italian criminal code** - (Self-laundering)

#### **Specificity of the single crimes**

Handling (art. 648 of the Italian Criminal code)

Money laundering (art. 648-bis of the Italian Criminal code)

Use of black money, goods and utilities (art. 648-ter of the Italian Criminal code)

## **14. Crimes against the environment**

**Art. 727 bis Law decree 121/2011** - (Killing, destruction, capture, control fo any protected animal or flower and plant species)

**Art. 733 bis Law decree 121/2011** - (Destruction and spoiling of any habitat inside a protected site)

**Art. 137 c. 2,3,5,11,13 Law decree 152/06** - (Water discharges)

**Art. 256 c. 1,3,5,6 Law decree 152/06** - (Unauthorized waste production activity)

**Art. 257 c. 1, 2 Law decree 152/06** - (Site reclamation)

**Art. 258 c. 4 (second period) Law decree 152/06** - (Violation of the communication liabilities and compulsory accounting register and form drafting)

**Art. 259 c. 1 Law decree 152/06** - (Illegal waste traffic)

**Art. 260 c. 1, 2 Law decree 152/06** - (Organised activity leading to the illegal waste traffic)

**Art. 260 bis c. 6, 7, 8 Law decree 152/06** - (Control IT system to track wastes)

**Art. 279 c. 5 Law decree 152/06** - (Discharges in the atmosphere)

**Law 150/1992** - (International trading of menaced animals and plants and flowers)

**Law 150/1992** - (Trading and control of living mammals or reptiles possible endangering the public safety and health)

**Art. 3 c. 6 Law 549/1993** - (Substances depleting the ozone layer)  
**Art. 8, 9 Law decree n. 202 del 6/11/2007** - (Pollution provoked by boats)  
**Art. 452 b of the Italian criminal code** (Environmental pollution)  
**Art. 452-quarter of the Italian criminal code** - (Environmental disaster)  
**Art. 452-quinquies of the Italian criminal code** - ( Culpable environmental crimes)  
**Art. 452-octies of the Italian criminal code** - (Aggravating circumstances)  
**Art. 452 sexties of the Italian criminal code** - (Trafficking and abandonment of highly radioactive material)

**15 Supposed crimes connected to the employment of foreign people not authorized to stay on a given territory(article 25- duodecies law decree 231/01)**

**Art. 22 c. 12 bis Law decree 286/1998** - (Crimes connected to the employment of foreign people not authorized to stay on a given territory)

**16. Corruption crimes between private entities (Article 25 ter letter s- bis Law decree 231/01)**

**Art. 2635 c.c. Introduced by L. 190 06/12/2012** - (Corruption crimes between private entities )