

Bondioli & Pavesi Group consists of the following Companies:

- ◆ Bondioli & Pavesi S.p.A.
- ◆ Dinoil S.p.A.
- ◆ Sales & Logistics S.p.A.
- ◆ Fira S.p.A.
- ◆ HP Hydraulic S.p.A..
- ◆ Tecnomek S.p.A.

Quality Policy is defined by the Chairman of the Management Board and firstly meant for the Managing Directors of each Company to be spread by them to all the employees. The Managing Directors shall act in such a way that Quality Policy is communicated and understood, shared and implemented inside the Companies belonging to the Group.

The "Quality Policy" defined by Bondioli & Pavesi Group (hereinafter called "Organization") shows the efforts made by the Organization to achieve Quality objectives.

The Organization's Quality Management System refers to a risk-based thinking allowing the Organization to:

- determine factors that could result in process deviations not complying with ISO 9001:2015, nor with the defined improvement objectives;
- carry out preventive checks in order to minimize negative effects and take the opportunities arising from the relevant analysis and the parties concerned, in the best possible way.

The Organization has developed its own Quality Management System to realize and implement Quality Policy; in this connection its objective refers to a continuous improvement consistent with both the nature and the dimensions of each Company. In fact, from a system dynamics point of view, such objectives are constantly evolving.

Organization's objectives. The Organization aims to:

- meet expectations and requirements of Customers as well as internal and external parties concerned;
- follow the legislation in force and any other Organizations' requirement;
- ensure proper implementation of Company's Code of Ethics to comply with all the basic principles the latter bases on, which can be summarized in transparency, ethics and sustainability;
- pursue continuous improvement in terms of products and services;
- pursue through Companies' Managing Directors specific purposes aimed to create an appropriate environment in which people are fully committed to the implementation of Organization's objectives;
- ensure good quality of products and punctual deliveries to customers to be in a position to retain its relationship with Customers and increase their number.

The fulfilment of the aforementioned objectives allows waste to be reduced and profit to be optimized. The result is a better Company soundness and better safety conditions for Organization's employees and Customers.

To pursue the aforementioned objectives not only sustainability criteria and ethics are considered, but also:

- application of a Management System complying with UNI EN ISO 9001:2015;
- Customer's response factors analysis;
- Customer involvement in a continuous exchange of views aimed to properly define the requirements concerning the product/service;
- continuous update regarding the applicable law;
- research stimulation and inefficiency reduction, at all levels;
- investment with responsibility and personnel involvement, at all levels;
- not only implementation of corrective actions, but also prevention of errors;
- creation of a structure capable of defining, realizing and reviewing objectives and goals;
- availability of state-of-the-art IT tools suitable for supporting all the main Organization's activities;
- determination of a Quality Policy being documented, implemented and notified to all staff. The Quality Policy is reviewed on Management Review, in order to evaluate its suitability and update.

The Management allocates appropriate resources for managing the Quality System and also takes an active role as a real guide in terms of application of quality management system, improvement activities, as well as check on what has been achieved. The same applies to all Organization's levels that are responsible for ensuring that the objectives set can be achieved.

The Group's Management periodically checks the Quality System status and Reviews carried out by the Group's Management make sure the objectives set by this Quality Policy have been achieved.

DATE: 1st March 2017 **The Chairman of the Management Board**