

CODE OF ETHICS

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SECTION I - INTRODUCTION AND FUNDAMENTAL PRINCIPLES

This CODE OF ETHICS (hereafter Code) formally defines the essential values recognized and accepted within Companies belonging to the SAFAS GROUP (hereafter Group), as well as the reference standards and the rules of behaviour, the rights, the duties and responsibilities with regard to persons with whom the said Company shares a relationship in the execution of any activity applicable to its business purpose.

The Code is intended to establish the principles to which the behaviour of those who operate in the sphere of and/or in the name of the Group must be inspired and oriented, with regard to internal and external relationships, current or potential, with colleagues, clients, partners, associates, suppliers and the Public Administration. The Code is an obligation for all addressees and details specific examples of the general obligations of honesty, diligence, propriety and loyalty, which must inspire the said personnel in the execution of their business activities.

The Group, in safeguarding its own image, safeguarding its resources and in respect to the principles enunciated here, will avoid undertaking, or rather, will sever relationships with addressees who do not undertake to apply a rigorous compliance with current applicable legislation and/or who refuse to adapt the founding principles of this Code.

The adoption, verification of appropriateness, activation and updating of this Code, is the responsibility of the Group's Board, which may promote additions or amendments.

ARTICLE 1 - ADDRESSEES

The addressees of this Code, obliged to observe the principles laid down in it and subjected to sanctions in the event of violations of the same, are:

- The Directors, the Auditors and any senior management, management and control personnel of the Group and of the Companies belonging to it, notwithstanding the formal-legal status assumed;
- the staff, suppliers, associates and any non-senior personnel operating at any time and in any capacity, in the name of and for the Group.

In particular, observance of the Code completely integrates the contractual obligations of staff, even pursuant to article 2104 of the Civil Code(*) : Each violation harms the relationship of trust with the employer and may incur measures against the addressee, in coherence with legal requirements and established contractual regimes.

The Group undertakes furthermore to promote an effective knowledge of the Code by addresses, placing a complete copy at the disposal of the same and promoting every initiative useful for its divulgence, knowledge of it, and understanding of its contents.

(*) Article 2104 of the Civil Code: *"Diligence of the employee. - The employee must use the diligence required by the nature of the due provision, by the interests of the business and those greater ones of national production. He must furthermore observe the dispositions for the execution and discipline of the work issued by the entrepreneur and colleagues under which hierarchy he depends".*

ARTICLE 2 - ETHICAL PRINCIPLES AND VALUES OF REFERENCE

This article illustrates the ethical principles and values of reference which make up essential and inescapable elements of orientation for company activities and for all personnel involved in such:

- **LAWS, REGULATIONS AND STATUTORY PROVISIONS:** The Group adopts and promotes the binding principle of respect for the law, regulations and all other statutory provisions, currently applicable in all the Countries and geographic areas in which it operates; in no case will behaviour which violates that principle be allowed, justified or tolerated by the Group, including cases in which such conduct is occasioned in the interests and/or advantage of the Group; to that end, it is

necessary that the said principle is shared and complied with by all personnel, internal and external, who act in relation to the Group.

- **HONESTY, DILIGENCE, PROPRIETY, LOYALTY, SOLIDARIETY:** The ethical values of honesty, diligence, propriety, loyalty and solidarity make up the inspirational and fundamental principles for all activities of the Group, its organization and for all personnel involved with it, at all levels, whether in the relationships between the Companies of the Group, or for addressees amongst themselves and towards the Group, or for the addressees towards other external personnel.
- **DUTY OF CONFIDENTIALITY:** It is the duty of Addressees to guarantee the confidentiality of restricted and/or confidential information acquired in the pursuance of their own duties, restricting its use and handling strictly within the scope of their own tasks; a non-exhaustive example would be restricted and confidential information relating to projects, proposals, initiatives, negotiations, understandings, tasks, agreements, relationships, facts and events, even if in the future and/or not certain, pertaining to the business of the Group, which are not in the public domain and which, if made public, might prejudice or damage to the said Group; In particular, whenever not specifically authorised, any form of exploitation or use for financial gain of restricted and/or confidential information is strictly forbidden, whether directly or through a third party. Violation of duties of confidentiality by addressees seriously compromises the relationship of trust with the Group and renders disciplinary or contractual sanctions applicable.
- **CONFLICT OF INTERESTS:** Within the sphere of relationship of trust between the Company of the Group and its directors and staff, the company assets and the capacity of personnel must above all be used in the interest of the Group itself, in compliance of this Code. To that end, the Addressees must avoid any situation and abstain from any activity which might create a conflict between their own personal interests and those of the Group, or interference and/or impediments in the ability to make objective and impartial decisions in the interests of the Group. Whoever encounters a conflict of interests, actual or presumed, is required to inform the ODV (Supervisory Office) or a representative of the management, in good time.
- **WORK CONTEXT AND SAFEGUARDING PERSONAL PRIVACY:** The Group and the individual Companies belonging to it, commit to creating a work environment which guarantees addressees and generally all personnel who, in whatever situation, interact with the Group, respect for the personal dignity and the characteristics of the individual, avoiding discrimination or conditioning. To that end, the Group and the Addressees are required to safeguard the privacy of individuals in relation to the private sphere of each one (habits, opinions and orientation in the cultural, family, political, religious and sexual sense, as well as aspects of health), through respect of conformity and interpersonal relationships and the prohibition of interference, intrusion and detrimental forms of control.
- **RESPECT AND APPRECIATION OF HUMAN RESOURCES:** The worth of each individual person is a principle of reference for the Group, which identifies in staff and associates, the fundamental resource for the functioning and success of its own business; the Group furthermore promotes the continuous and coordinated growth of the assets of experience, expertise and individual abilities, committing itself to guaranteeing a context imprinted with propriety, transparency, impartiality, loyalty reciprocal respect and valuing merit and quality.
- **CARE OF THE SAFETY AND HEALTH OF WORKERS:** The care over psychological and physical integrity of workers is a principle of maximum importance for the Group, for the Companies belonging to it and for the individual addressees of the Code, each by their own functions and responsibility. The constant commitment to analysis, evaluation and organization and the accurate management of risks, must guarantee the adoption and maintenance of the most opportune

measures of prevention and protection with health and safety, countering instances of accidents, workplace illness and any other inconvenient physical or psychological condition for the workers.

- **SAFEGUARDING THE ENVIRONMENT:** The Group places maximum attention and care on safeguarding the environment and on the asset of natural resources, be it with the management of processes and the plant established on its own sites, or in the programming of logistical and transport solutions, establishing and pursuing coherent and ambitious objectives of environmental quality and improvement of the related services.
- **CORRECT USE OF COMPUTER SYSTEMS** The Group, in using computer resources assigned for the exclusive implementation of its own business activities, complies with legislation on the matter of use and management of computer systems and the internal regulations for the use of computer systems. It is strictly forbidden to use computer and network resources for ends contrary to the requirements of the law, public order or public decency, or anyway aimed at racial intolerance, incitement to violence or violation of human rights, as well as committing or inducing criminal activity, damage or alter the computer systems or the information of private or public third parties, or illegally to obtain confidential information. No addressee is furthermore, permitted to install unlicensed software on the Company's computers, or to use and/or copy documents and material protected by copyright (audio-visual, electronic, paper or photographic recording or reproduction) without the express authorization of the holder and with the exception of those cases when such activity falls into the normal execution of duties entrusted to them. Lastly, it is strictly forbidden to carry out illegal downloads, or transmit to third parties, contents protected by legislation covering matters of copyright.
- **TRANSPARENCY AND COMPLETENESS OF INFORMATION:** The Group is inspired by the principle of transparency and of completeness of information in carrying out its institutional activities, in the management of financial resources used, and in the consequent accounting and/or accounting records. The Group believed that accounting transparency as well as the keeping of accounts according to the principles of truth, completeness, clarity, precision, accuracy and conformity with current applicable legislation, are fundamental cornerstones for efficient control. For each operation, adequate support documentation must be filed, such as to provide for a simple accounting record, the reconstruction of the operation and the identification of any responsibility.

In order to cement the above mentioned values, the company has defined and approved the "Guide lines for entry into the Safas Group" held in the board room minute book, aimed at personnel intending to be part of the body of shareholders.

SECTION II - APPLICATION AND DIFFUSION OF THE PRINCIPLES

In order to allow for a rigorous application of the ethical principles and the values described above, this Code is meant to identify the areas of application of the same, concentrating attention on the main types of working relationships that addressees will find themselves maintaining.

To this end, the Group commits to divulging this Code to all Addressees. For which, each addressee will have to sign a declaration to having read and understood the same, as well as agreeing to a commitment to comply with it. For external addressees (e.g. suppliers and contractors), the declaration will take the form of a contract.

PART I - INTERNAL RELATIONSHIPS

This is a continuous duty for those who work for the Group and the moral integrity which must influence the choices of the entire organization.

ARTICLE 1. RELATIONSHIPS BETWEEN THE SENIOR MEMBERS OF THE GROUP

The activity of the Corporate Bodies is imprinted with full respect for the rules ratified by the statute approved on 11/12/2008 and by current applicable national and European Community legislation.

The administrative bodies are required to:

- actively commit themselves in order that the Group may benefit by their specialized abilities;
- report in good time any situation of conflict of interests in which they are involved;
- respect the confidentiality of information acquired in the execution of their mandate.

The Corporate Bodies operating within the Group are required fully to collaborate and exchange information with the aim of promoting coordination and achieving the company objectives.

With regard to the obligation for confidentiality, they must carry out their duties with total faithfulness towards the Group, in the face of which they have the duty to operate with complete transparency in order to permit the reconstruction of all the operations they carry out.

ARTICLE 2 - RELATIONSHIPS BETWEEN EMPLOYEES AND OBLIGATIONS OF RESPONSIBILITY

Relationships between employees of the Group are inspired by values of civil coexistence and they are carried out with respect for the rights and freedom of humanity and the primary principles of affirming equal social dignity without discrimination of nationality, language, sex, race, religious belief, political or union affiliations and physical or psychological conditions.

The employees of the Group commit to operate, applying concepts of solidarity and giving greater importance to the juridical values quoted herein, with respect to personal objectives.

The employees of the Group, while being structured hierarchically, must also observe and apply the principles of diligence, equality and honesty, favouring reciprocal collaboration, sustaining the creation of a working environment, ideal for safeguarding the person and the worker from both the professional and the achievement point of view.

Each person with responsibility is required to exercise his powers with objectivity and balance, nurturing the gradual professional growth of his collaborators, respecting a meritocracy and the continuous improvement of working conditions, listening out for the signals that may come his way.

Personnel take part in training plans proposed by the Group, guaranteeing application, professionalism and spirit of participation.

Finally, the worker must honour all provisions enunciated by the Collective Labour Agreement applying to him, as well as all the union provisions regarding the behaviour to be upheld, and must inform their direct line managers in good time of the emergence of any situations which might interfere with a healthy and correct management of working activity.

ARTICLE 3 - VERTICAL RELATIONSHIPS BETWEEN SENIOR MANAGEMENT OF THE COMPANIES AND EMPLOYEES

The senior management of the Companies is required to execute their own authority in a balanced manner with regard to their juniors, respecting the person and his dignity.

In each case, the senior management of the Group must not abuse their own office, neither in the selection phase of employees (which absolutely must be based on grounds of meritocracy and/or compliance with current applicable law), nor during the execution of work.

The senior management of the Group must give instructions, exclusively in conformity with law and the principles of the Code, and must avoid any restrictive and/or intimidatory behaviour, in violation of the above mentioned principles, towards employed personnel.

On the other hand, employees are required to comply with directives passed to them by senior management and to execute them diligently, unless the orders received are clearly in contrast with current applicable law

and/or with the principles of this Code; these must not fear to report any situation counter to current applicable law and/or the principles of this Code, nor to incite others to do so.

ARTICLE 4 - RELATIONSHIPS BETWEEN SENIOR MANAGEMENT OF THE COMPANIES, EMPLOYEES AND THE SUPERVISORY BODY

Both the senior management of the Companies and the employees are obliged to accept and commit to compliance with all the directives and communications of the Supervisory and Control Body (see the Organisation and Management Model Ex Legislative Decree 231/01 - General Part), complying scrupulously with the directions issued.

The Addressees must furthermore inform the Supervisory Body of any situation, conduct, event or circumstance which indicates a presumed violation regarding offences pursuant to Legislative Decree No 231/01.

PART II - EXTERNAL RELATIONSHIPS

Considering that the Group has daily dealings with third parties, be they clients, suppliers, the Public Administration (hereafter "P.A."), Addressees are required, in these relationships, to comply with the laws, adopting an ethical behaviour marked with maximum transparency, clarity, propriety, efficiency and equitability, as set forth in the Code.

ARTICLE 1 - RELATIONSHIPS WITH NON-CLIENTS

With the objective of guaranteeing full satisfaction with regard to the requirements of the client, even with the aim of creating an inspired relationship with values of propriety, loyalty, efficiency and professionalism, while complying with all laws, it is necessary that:

- Clients are informed in a clear manner on what is established in the execution of activities carried out in their favour;
- no actions contrary to law are aired, advised and/or proposed to clients;
- clients are not promised, in any manner, results which do not fall under the responsibility of the Group;
- All economic relationships with clients (fees, payments for expenses, contributions, donations, etc.) are set with maximum transparency and compliant with the charter and current applicable legislation.

ARTICLE 2 - RELATIONSHIPS WITH SUPPLIERS AND EXTERNAL ASSOCIATES

The selection of suppliers and external associates, the choice of assets, goods and services to be purchased must be carried out, in writing, according to the principles of this Code and of the currently applicable internal procedures.

The selection of suppliers must follow an analysis of exclusively impartial parameters such as efficiency, capacity, quality, financial advantage and in any case, according to the parameters contained in the Quality Manual drafted in conformity with Standard UNI EN ISO 9001:2008 and in the "Integrated Security and Environment Management System".

With regard to relationships with suppliers, gifts, donations, benefits (whether direct or indirect), presents, acts of preference, courtesy and hospitality aimed at obtaining favourable treatment are prohibited. Gifts for a special occasion (usually exchanged on the occasion of particular celebrations such as, for example, Christmas) must comply with the principles of tenuity (or of little, symbolic, value) and of parity (or of equal cost in the choice of gift for every supplier or external associate). For the quantification of the gifts, reference is made to the Decree of the Regional Executive 38/2014 of 28.01.2014 with which the Region of Venice established a value limit for any gifts at Euro 150.00.

Gifts offered on personal initiative, or set in hard cash, or not previously designated for that reason, are forbidden.

From that which is anticipated, a binding obligation follows, to document any expenses and to submit a transparent accounting for the same.

ARTICLE 3 - RELATIONSHIPS WITH AUTHORITIES AND THE PUBLIC ADMINISTRATION

The assumption of obligations to the Public Administration is the exclusive responsibility of company bodies formally so tasked.

Relationships with Authorities and the Public Administration must be carried out and managed in absolute compliance with current applicable laws and regulations, the principles set in the Code of Ethics, and in internal protocols.

The Group prohibits all those who operate under their own name, in their own interests or for their own business, to accept promises or offers, even indirectly, money, gifts, services, assets, fees or unwarranted favours (even with regard to offers of employment) in reference to relationships with officials, those in charge of public services or private persons connected to them, in order to influence the decisions in view of favourable treatment or undue services or for any other aim.

It is obligatory for all to inform the Supervisory Body in good time of any requests or offers of money or of favours of any type, which might be interpreted as exceeding normal commercial practice or courtesy, or in any case aimed at soliciting favourable treatment in carrying out operations attributable to the company activity wrongly formulated at/by those who operate for the Group in the sphere of relationships with the Public Administration. The Supervisory Body may consequently ask for the adoption of the appropriate measures.

Only on the occasion of particular annual festivals (e.g. Christmas) is it permitted for the Group to offer gifts, according to custom, to a few representative persons including representatives or liaison officers of the Public Administration, with items of moderate value, as also described for the Clients in Article 1 of this Part II.

ARTICLE 4 - RELATIONSHIPS WITH THE COMMUNITY AND THE ENVIRONMENT

The Group, aware of the effects of its own entrepreneurial activities on economic and social development, and in consequence on the general welfare of the community, is interested in being socially accepted by the community in which it operates.

To this aim, it intends to operate in consideration for the local and national community, and contributes towards the awareness on the theme of sustainable development, managing its own activities and the property entrusted to it in an eco-compatible manner, in consideration of the rights of future generations.

ARTICLE 5 - RELATIONSHIPS WITH THE PRESS AND OTHER MEANS OF COMMUNICATION

The relationship of the Group with information bodies must be carried out in coherence with the company communications strategy, according to criteria of conduct imprinted with the principles of transparency, propriety and timeliness. For this reason, such relationships are the exclusive responsibility of the formally tasked, purposely established, company structures, or of those Addressees expressly authorized by the same.

In the event of no specific authorization, colleagues are absolutely prohibited from releasing to representatives of the press, other means of communications and to third parties, information of any nature relating to the Group, or in any case to leak company notices regarding business, strategic sources or the organization of the Group.

PART III - VIOLATION OF THE CODE OF ETHICS AND THE PENALTY SYSTEM

Any possible failure to comply with the provisions established in the Code of Ethics, considered as an infraction of the professional ethical principles and of the duty of propriety, will be subject to disciplinary action.

ARTICLE 1 - REPORTING OF VIOLATIONS

Any presumed violation which might result in an offence as described on Legislative Decree No 231/01, according to the criteria established in the Organization and Management Model, must immediately be reported to the Group's Supervisory Body

The report of a violation must contain sufficient information for identifying the terms of the same in order to permit an appropriate analysis.

The Group commits to guaranteeing the secrecy of the source of the report on the occurred/requested/attempted violation of the principles contained in the Code or in the internal procedures, in such a manner that no one in the work place may be subjected to retaliation, illicit conditioning, embarrassment and discrimination of any type.

ARTICLE 2 - GUIDE LINES FOR THE PENALTY SYSTEM

Violation of the principles set in the Code of Ethics irreparably compromises the relationship of trust between the Group and the defaulting person, be he a manager, employee, consultant, associate of any kind, client or supplier.

Any violations will be pursued by the Group with incisiveness, timeliness and immediacy, using suitable and proportional disciplinary measures, independently from any possible criminal liability resulting from such conduct, and the initiation of legal procedures in those cases constituting a felony.

Whenever the violation committed should also include the violation of the Organization and Management Model, this would entail the application of sanctions pursuant to the Disciplinary System.

The effect of violations of the Code of Ethics must be taken in serious consideration by all those who, in whatever capacity, have a relationship with the Group. To that end, the Group undertakes to distribute the Code of Ethics and to inform readers on the sanctions set out in the event of a violation, and on the methods and procedures of distribution, using as reference the "C.C.N.L. Metalmeccanica" (Metalworker's National Work Collective Contract) and internal procedures.

In safeguarding its image and its own human and financial resources, the Group will not maintain any type of relationship with persons who do not intend to operate in strict compliance with current applicable legislation and/or who refuse to behave according to the values and principles described in the Code of Ethics.