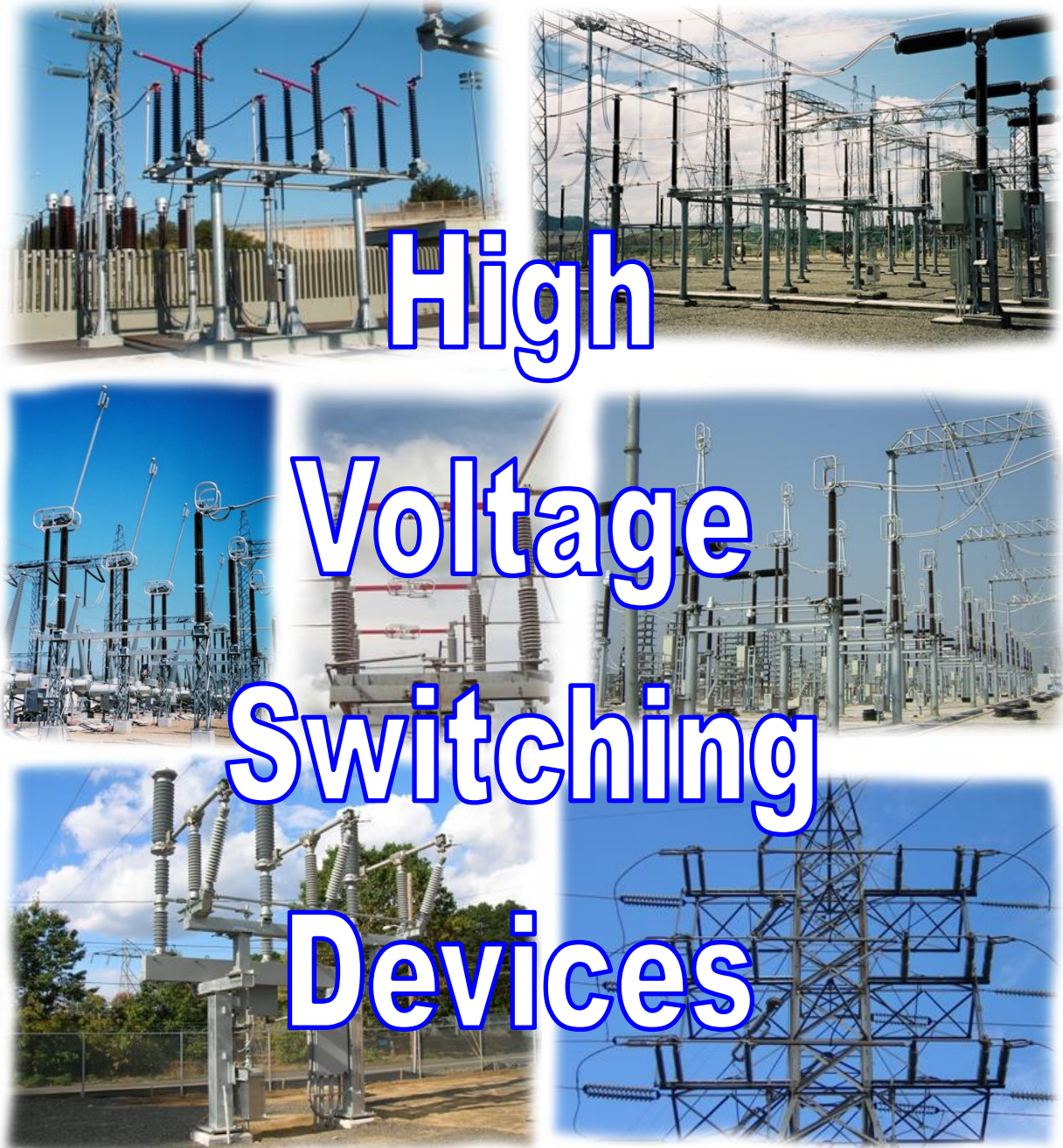


# ETHICAL CODE

EC Edition 2 of 31/05/15

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Edition	Date	Nature of amendment
2	31/05/15	General review
1	31/03/07	Modifications made by the Shareholders' Meeting
0	29/03/07	First issue

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### 1 Initial provisions

#### 1.1 Definitions

In the context of this Code, the following words/phrases will have the following meanings:

"Employees"	All the people who are directly employed by the Company (including temporary workers and part-time contracts), apprentices or trainees, as well as temporary workers provided by Third Parties in compliance with the legislation in force.
"Company representatives"	Members of the Board of Directors and General Managers in office as and when they may be appointed, as well as any other subject in top management positions, by which it is meant any other person carrying out representative, management or executive functions within the Company or one of its organizational units with financial and functional autonomy. This term also includes the members of the Board of Statutory Auditors.
"Collaborators"	Individuals linked to the Company by agency or commercial representation relations or any other business relations providing for coordinated and continuous work. The term mainly applies to personnel, even if not directly employed, or any other relation covered by art. 409 of the Italian Code of Civil Procedure. <sup>1</sup>
"Company"	COELME.
"Code"	This Code and its appendixes.
"Executive Body"	The Board of Directors.
"Third Parties"	Third Parties directly or indirectly involved in the execution of the Company's activities.
"Manager"	Each Manager in charge of one or more divisions or corporate departments in accordance with the current Company organization chart.

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<sup>1</sup> "Art. 409. *Individual labor disputes*. - The provisions included in this chapter shall be applied in the event of disputes concerning: 1) private employment relations, although not related to business activities; 2) sharecropping, fragmented farming, shared farming, leased farming as well as any other relations derived from farming contracts except for specialized farming sectors; 3) agency, sales representative and other commercial relations that are coordinated and continuous, mainly personnel, even if not directly employed; 4) employment relations with public organization employees who exclusively or mainly conduct economic activities; 5) employment relations with private organization employees and other public law relations, provided that they are not assigned by law to another jurisdiction."

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### **1.2 Basic principles**

On November 30th 2005, **Southern States, LLC** issued its Policy of Ethics encouraging its dissemination within COELME.

COELME too believes in respecting the rules and shares the sense of responsibility that comes with being the protagonist of the economic and social contexts in which it operates, also considering that the behavior of the people making up an organization, starting from those who have more responsibility, define the Company's image as well as its visibility in all areas of action.

The Company believes it is essential to share its values and principles of conduct with its Collaborators, as well as communicate them to all the parties involved in order to establish a work environment oriented towards the respect of ethical and behavioral standards, which are typical of a mature civil context.

For the above-mentioned reasons, considering the current provisions set forth by the Italian legislation in force and in accordance with the Italian practice, the Company adopted this Code.

The Ethical Code lays down the commitments and ethical responsibilities in the conduct of the business activities undertaken by the Directors and Employees of the Company, seeking to promote a high standard of professionalism, prohibiting all behavior that is inconsistent with the current laws and/or principles that the Company intends to recommend.

### **1.3 Scope and recipients**

The provisions contained in this Ethical Code apply, in all business activities carried out by the Company, to corporate Directors, all parties linked to the Company by an employment relation and all those who cooperate in the pursuit of the goals of the Company, on the basis of the different relations they maintain with the Company itself.

All the above recipients are required to know the contents of this Ethical Code and comply with its provisions in order to ensure, through their behavior and conduct, the respectability and good image of the Company and preserve the integrity of its corporate assets.

The dissemination of the Ethical Code and all corporate procedures among the Employees and all those with whom the Company maintains a business relation must be ensured by the Company through the use of appropriate means of communication.

Where necessary, the Executive Body shall promote the application of this Code to Company representatives, Employees and Collaborators by introducing in their respective contracts with the Company, among other things, specific clauses laying down the obligation to comply with the provisions enshrined in this Code.

The Executive Body shall make sure that the recruitment of Company representatives, Employees and Collaborators is conducted so as to assess, among other things, whether the personal and professional skills of the selected candidates meet the provisions contained in this Code.



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The recipients shall commit to strictly comply with the provisions included in this Ethical Code when accepting office, i.e. when the employment contract is signed or, in any case, from the very beginning of their collaboration with the Company.

The Company must base all the actions involved in the management of corporate social activities on the principles enshrined in this Ethical Code, as described below.

The Executive Body and the Managing Directors (if any) are required to implement the principles of this Ethical Code when setting the goals of the Company, proposing investments and implementing projects, as well as in any decision or action related to the management of the Company itself.

Likewise, the Managers, when carrying out the Company's core business, shall take inspiration from the above-mentioned principles, both within the Company and towards Third Parties collaborating with them.

Moreover, the principles contained in this Ethical Code must inspire the relations among the Company's Employees as well as those between them and any Third Parties unrelated to the Company.

Collaborators who are not bound by any relationship of subordination to the Company including, without limitation, Consultants - operators of auditing firms among others - Agents, Suppliers, Subcontractors, Partners having business relations with the Company, and other Third Parties that directly or indirectly contribute to the activities of COELME must be informed and are equally expected to behave as to comply with this Ethical Code.

The Company recommends that each Company representative, Employee or Collaborator, when entertaining relations with Third Parties in the exercise of their functions, shall:

- (i) inform Third Parties of the obligations set forth by this Ethical Code and demand compliance with them as far as their functions are concerned; and
- (ii) inform the competent Manager or Executive Body of any Third Party's conduct in conflict with this Ethical code or that may lead Company representatives, Employees and Collaborators to violate this Code;

where necessary, in the respective contracts with the Company, specific clauses laying down the obligation to comply with the provisions enshrined in this Code shall be included.

### **1.4 Disciplinary measures and penalties**

Each Company representative, Employee and Collaborator shall be entitled to submit requests for clarification as well as complaints to their Manager or the Executive Body.

Any violation of this Ethical Code must be reported through the Managers to the Executive Body, which will assess the actual violation and, if necessary, will take action to initiate the subsequent sanctioning procedure.

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In case of violations committed by the Executive Body or the Board of Statutory Auditors, reporting will have to be submitted to either body concerned, for it to turn to the Shareholders' Meeting to take action.

The respect for all protection measures provided for by law or collective agreements shall be ensured and any requests for clarifications, claims or information shall be kept strictly confidential.

The compliance with the provisions enshrined in this Ethical Code is an integral and essential part of the contractual obligations directed to the Employees of the Company, pursuant to and for the purposes of Art. 2104 of the Italian Civil Code<sup>2</sup>, and through the inclusion of specific contractual clauses for the Company's Collaborators as well as all those individuals who cooperate to the pursuit of the goals of the Company.

The violation of the provisions contained in this Ethical Code shall be considered, therefore, a breach of the obligations arising from any relations established with the Company, and, therefore, a disciplinary offense or breach of contract with the legal consequences involved, including the possible interruption of the relation itself.

Should this Ethical Code be broken by the Employees and Company representatives linked to the Company by a relationship of employment, the latter shall adopt the penalties provided for by the National Collective Agreement against the guilty, with varying measures, depending on the seriousness of the situation, from warnings to firing, however, in accordance with the procedures included in art. 7, Law no. 300 of 1970.

Should this Ethical Code be broken by the Collaborators and Company representatives linked to the Company by a relationship of collaboration or by Third Parties, the Company shall adopt the penalties provided for by the contract in accordance with Italian Civil Code.

The Executive Body undertakes to impose penalties with consistency, impartiality, uniformity and proportionality, however still complying with the limits imposed by the collective bargaining of the sector and the law, taking into account:

- specific circumstances;
- kind of violation;
- seriousness of the unethical conduct;
- any unsuccessful attempt of violation;
- any recurrent violations.

The Company shall not either start or continue any relation with people and/or bodies that do not intend to comply with its ethical and behavioral principles.

In the event of any violations of this Ethical Code, the Company reserves the right to take any subsequent action, within the framework of both contractual or non-

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<sup>2</sup> "2104. *Employee's diligence*. - The Employee must use the diligence required by the nature of the task to be accomplished, the interests of the Company as well as the higher interests of national production. The Employee must also comply with the provisions and employment rules imposed by the employer and colleagues to whom he/she hierarchically reports."

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contractual liability, also for compensation for any damage possibly caused to the Company by such violations.

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## **2 General ethical principles**

To achieve its objectives, the Company shall be guided by the following values and ethical principles, which it aims to promote in its own business.

### **2.1 Compliance with the law**

Compliance with the law is an essential principle for the Company.

In the context of performing their duties, Company representatives, Employees, Collaborators and Third Parties are required to comply with the laws and regulations provided for by the legal system in force in the country where they are operating.

Furthermore, in addition to adhering to the general principles of diligence and good faith, all Employees must comply with the behavioral instructions contained in their applicable labor contracts.

Under no circumstances may the pursuit of the Company's interests justify the breach of laws and regulations.

### **2.2 Preserving corporate organization quality and efficiency as well as both Company's and COELME group's reputation**

The quality and efficiency of the Company organization as well as the reputation of COELME are a priceless heritage for the Company and are mainly determined by the conduct of each Company representative, Employee and Collaborator. Therefore any conducts not complying with the provisions of this Code may cause substantial damage to COELME.

Each Company representative, Employee and Collaborator is required, through their conduct, to contribute to the preservation of the above-mentioned heritage and, in particular, the reputation of COELME, both in the workplace and outside.

### **2.3 Protection of human resources**

The Company recognizes that human resources are an indispensable asset for the development and success of the Company and is committed to developing their skills, abilities and potential. The criteria of competence and merit will be adopted when assessing the improvement of individual professional skills and capabilities.

No discrimination can be made in relation to race, religion, sex, age, disability and ideologies.

Each Employee and Collaborator will be treated with respect and without intimidation, avoiding undue influence and discomfort.

The Company will take on the responsibility to impart the necessary training to all Employees and Collaborators, which shall be adequate and suitable to the type of task performed, the contractual level involved as well as the type of collaboration in force.



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### **2.4 Protection of the individual and mutual respect**

Each Company representative, Employee and Collaborator recognizes and respects personal dignity, privacy and rights of the personality of all individuals.

All activities and services must be carried out ensuring respect for all individuals, irrespective of race, social status, religion, political belief, age and sex, with the obligation to abstain from discriminatory practices of any kind as well as from any form of child labor. Moreover, the application of the rules concerning women protection shall be ensured.

The Company undertakes not to entertain, either directly or indirectly, any financial, economic or trade relations with other parties operating in violation of the rules concerning the protection from child labor and protection of women and/or carrying out activities of procurement or illegal use of the labor force through traffic of immigrants or slave trade.

All activities, services or initiatives, even of advertising nature, as well as the use of IT or tourist means which might promote or facilitate pornography and/or child prostitution are strictly prohibited; any partnership with individuals or bodies operating in the aforesaid fields and within the framework of the so-called sex tourism is also forbidden.

Each individual must be treated with respect and without intimidation, avoiding undue influence and discomfort.

These principles also apply in the relations with colleagues, Collaborators or Managers as well as with Third Parties.

### **2.5 Departments, responsibility and control**

When carrying out their functions, each Company representative, Employee and Collaborator must behave with transparency and honesty assuming the responsibilities involved by reason of their duties, be a reliable partner and avoid making promises which cannot be kept.

Each Manager is responsible for the Employees subject to their direction, coordination or control.

Each Manager must demonstrate an exemplary behavior, showing dedication to work, loyalty and competence, set clear, ambitious but realistic goals, exert their role instilling confidence in their employees, provide them with as much responsibility and leeway as possible, taking into account their personal and professional inclinations and experience. Managers must be available for their Collaborators to face both personal and professional problems.

Each Manager must fulfill the obligations concerning both organization and control. Specifically, Managers must make sure that neither the law nor this Code are broken.

Managers are responsible for the completion, by their employees, of the tasks delegated to them.

Specifically, each Manager must:

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- a. carry out a careful selection of their Collaborators based on their personal and professional inclinations, including the compliance with this Code. The importance of making a careful selection increases in proportion to the importance of the tasks that the Collaborator must perform (duty of selection);
- b. communicate to their Collaborators, in a precise, complete and binding way, the obligations to be fulfilled and, specifically, the obligation to comply with the legislation in force and this Code (duty of instruction);
- c. monitor, on an ongoing basis, the compliance by their Collaborators with the legislation in force and this Code (duty of control);
- d. communicate to their Collaborators unequivocally that, in addition to disapproving of any violation of the law or of this Code, such behavior may constitute a breach of contract and/or a disciplinary offense, in accordance with the legislation in force;
- e. immediately report to the Manager or the Executive Body their findings, as well as any news reported to them by their Collaborators concerning potential or actual violations of the legislation in force or this Code by any Employee;
- f. as part of the functions attributed to them, implement or promote the adoption of appropriate measures to avoid the protraction of violations and prevent retaliation against their Collaborators or any other Employee.

### **3 Relations with the public administration**

The Company inspires all relations with public bodies and institutions and, in general, with the public administration, public officials and public servants to the principles of legality, loyalty, fairness and transparency.

The above-mentioned relations should not be based on promises, cash donations, assets in kind to promote the business of the Company or to defend their market positions.

The Executive Body of the Company must ensure that the above is not circumvented surreptitiously through consultancies, aid, sponsorship, advertising or personal assignments.

Gifts and gestures of courtesy and hospitality extended to representatives of governments, public officials, public servants and public employees are allowed if they are of modest value or, in any case, such as not to affect the integrity or reputation of either party, or be intended to obtain any improper advantage.

In any case, this type of expenses must always be authorized by the Executive Body and documented appropriately.

In particular and without limitation, in the relations with the representatives of public institutions and public administration in general, either Italian or foreign, the following actions are forbidden:

- promise or grant cash donations for purposes other than institutional;
- promise or grant favoritism in hiring new staff, in the choice of suppliers of goods and services, or providing information and documents;

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- produce false and/or altered documents and/or data or omit due information, in order to receive, among other things, grants/subsidies/funding or other payments from the state or public bodies or the European Union;
- allocate grants/subsidies/public funding for purposes other than those for which they were obtained;
- access without authorization to the information systems of the public administration to obtain and/or modify information for the benefit of the Company.

Each Company representative, Employee or Collaborator who is in a position to generate, even only potentially, a conflict of interest against a public official or a public servant of the public administration is obliged to immediately notify the Executive Body.

A public official or a public servant may be in conflict of interest when the particular position of the Company representative, Employee or Collaborator involved can, even only potentially, affect their impartiality or, in any case, their independent judgment (for example in the case of a family relationship with any public official or in case of relationships of private nature between the parties involved).

The Company shall not be represented before the public administration, by a Company representative, a Collaborator or an Employee who may create a conflict of interests.

The Company intends to facilitate the proper conduct of the inspections carried out by the bodies in charge by law. Therefore, Company representatives, Employees and Collaborators are required to facilitate access to data by authorities and provide any information required, ensuring clarity and truthfulness.

The Company, through the diligent work of Company representatives, Employees and Collaborators, guarantees full cooperation during all inspection operations.

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### **4 Relations with business partners and Third Parties**

#### **4.1 Compliance with the provisions on fair competition and the anti-monopoly legislation in force (antitrust)**

Only fair competition can develop freely. The principle of business integrity is also applicable to the competition for market shares. Each Employee must therefore comply with the regulations concerning fair competition and antitrust.

The interpretation of behavioral conformity with the regulations on fair competition and *antitrust* may be difficult in some cases. However, certain behavior patterns are usually considered non compliant with the above-mentioned regulations.

In order to prevent violations, both Employees and Collaborators are required to inform their Managers and avoid, unless officially authorized by the Executive Body (which shall obtain the necessary legal opinions by means of the Manager), behavior whose purpose or effect consists in hindering fair market competition such as, for example, the establishment of business relations with the Company's competitors to reach an agreement on purchase or selling prices, quantities or other contract terms, signing non-competition contracts or agreements (even in verbal form) with Company's competitors, agreements for participating in tenders or allocating markets or supply sources (also with reference to customers, areas or production programs), taking of actions aimed at influencing retail prices applied by Company's retailers, imposing restrictions on imports or exports or otherwise impede or limit production market inlets or outlets, investments, technical development or technological progress.

#### **4.2 Offer and benefits**

The Company pursues its business success with the quality and price of its products.

Within their sphere of activity, Company representatives, Employees and Collaborators shall not offer or grant, either directly or indirectly, material benefits to Third Parties in the form of sums of money, goods, services or other.

Acts of commercial courtesy, gifts or hospitality to business partners or Third Parties are only allowed if they are of limited value and do not generate, in the recipient or in a third and impartial party, the impression that they are aimed at obtaining undue benefits, or expression of malicious intent and inappropriateness. When in doubt, in order to accept the gift, the recipient shall have to obtain official authorization in advance by the relevant department. The fact that the recipient proves recalcitrant to this request may indicate that they believe the gift does not comply with the above-mentioned provision.

In particular, Company representatives, Employees and Collaborators who, in performing their tasks sign contracts with Collaborators, business partners or Third Parties, must ensure that the above-mentioned contracts do not offer or grant benefits in violation of this Code.

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### **4.3 Demanding and accepting benefits**

Company representatives, Employees and Collaborators cannot take advantage of their professional role to demand, accept, obtain or be promised benefits of any nature. The unsolicited acceptance of occasional gifts of modest value and that, in any case, will not generate, in any impartial Third Party, the impression that they were aimed to obtain undue advantages or give an impression of malicious intent and inappropriateness, are excluded.<sup>3</sup>

Any Company representatives, Employees or Collaborators who receive gifts or favorable treatment which are not directly ascribable to routine courteous business relations must inform the Board of Statutory Auditors, their Manager or the Executive Body according to the circumstances involved.

Gifts not complying with the above-mentioned provisions must be refused or returned.

### **4.4 Special rules for the awarding of orders**

The Company assesses equally and impartially all offers coming from its suppliers.

Company representatives, Employees and Collaborators must follow the procedures for the recruitment and selection of suppliers established by the Company.

However, in relations involving contract, provision, procurement or supply of goods or services to the Company, Company representatives, Employees and Collaborators, each as part of their functions, must comply with the following rules in particular:

- a. everybody must report to their Manager, Executive Body or the Board of Auditors, as applicable, the existence of any personal interest involved in performing their tasks, which might lead to a conflict of interest;
- b. in the event of competitive offers, suppliers must not be favored or impeded unfairly. Consequently, Company representatives, Employees and Collaborators must not prevent candidate suppliers possessing the requirements defined by the Company on a case-by-case basis from winning the contract for the supply of the goods and/or services required by adopting assessment and recruitment criteria which are objective and transparent;
- c. accepting invitations from business parties is permitted only if the reason and scope involved are appropriate and a refusal would infringe the principle of courtesy;
- d. no Company representative, Employee or Collaborator is allowed to place personal orders which could generate undue benefits with individuals with whom they entertain professional relations. This applies, in particular, to the cases in which the above-mentioned behavior pattern might, either directly or indirectly, affect the assignment of a task to the supplier involved by COELME.

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<sup>3</sup> The gifts received, however, should not be withheld by one single Company representative/Employee/Collaborator, but handed over the Company to be assigned by drawing lots.

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### **4.5 Donations**

As a business actively involved in corporate citizen progress, COELME may give money or donations in kind for educational, scientific, artistic and cultural purposes as well as for social or humanitarian purposes in general. Donation requests may be received by the Company from various organizations, institutions or associations.

Company's donations are regulated by the following standards:

- a. in general, donations requested by natural persons are rejected;
- b. donations made to individual or profit organization accounts are not permitted;
- c. in no case may donations be made to people or organizations whose purposes conflict with this Code or with the essential principles characterizing the work environment in which COELME operates or whose attainment might jeopardize the Company itself;
- d. transparency must be guaranteed in all donations. The recipient of the donation and its specific purpose must be known. The reason for the donation and its specific purpose must always be reported.

The so-called "quasi-donations" infringe the principle of transparency and are not permitted. The term "quasi-donation" refers to money or any other income in any form received on a free basis but apparently obtained as a fee for a service supplied. These amounts, however, clearly exceed the value of the service supplied. They are, at least partially, amounts paid or received on a free basis, in such a way that is in conflict with this Code and, as such, prohibited.

## **5 Conflicts of interest, non-compete clause and ancillary activities**

### **5.1 Conflicts of interest**

The Company requires that its Company representatives', Employees' and Collaborators' personal interests do not conflict with their daily tasks.

By way of example, a conflict of interest exists in the following cases:

- a. assuming a corporate role or being involved in working activities of any kind on behalf of customers or suppliers;
- b. pursuing the economic and financial interests of Company representatives, Employees, Collaborators or their families in supplier or customer businesses (such as, for example, acquiring direct or indirect qualifying holdings in the share capital of the above-mentioned people).

Any situation that may potentially lead to a conflict of interests, or that may prejudice the ability of the Company representative, Employee and Collaborator to make decisions based on the best interests of the Company, must be immediately reported to the Manager or Executive Body, for them to determine whether the person in question should refrain from taking any action relating to that particular situation, unless authorized by the Manager or the Executive Body.

The rules on conflicts of interests for the members of the Board of Directors and the Board of Statutory Auditors are governed by law.



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### **5.2 Non-compete clause**

Company representatives, Employees and Collaborators shall not assume corporate roles, conduct work of any type for company competitors, acquire direct or indirect qualifying holdings in the share capital of company competitors unless explicitly authorized by the Executive Body.

### **5.3 Ancillary activities**

Company representatives, Employees and Collaborators are permitted to engage in ancillary activities provided that they do not jeopardize their ability to carry out their professional duties for the Company.

Company representatives, Employees and Collaborators must, however, refrain from performing any ancillary activities (including non-paid tasks) that may place them in conflict with the specific obligations they have undertaken on behalf of the Company.

## **6 Use of company equipment**

Company assets and, in particular, plants, machinery and equipment located in the workplace (i.e. telephones, photocopy machines, PCs including software and Internet/Intranet, machinery and tools) are property of the Company and must be used for work purposes according to the regulations currently in force.

In no case is it permitted to use corporate property and, in particular, IT and network resources, for any purpose that may run contrary to the binding legislation in force, public order and/or good practice, nor is it to be used to commit or induce the committing of an offence, or to promote racial hatred, the glorification of violence or the violation of human rights.

## **7 Information management**

### **7.1 Accounting records and information reports**

The efficiency of interpersonal relations requires the transmission of true and accurate information reports. This applies indifferently to internal relations (for colleagues, Collaborators, Managers or shareholders) and external relations, whether of commercial (with customers, suppliers or Third Parties) or institutional nature (with the public or public authorities).

All accounting records and information reports for internal or external use must be true and accurate.

Specifically, collection and recording of accounting data and transactions must be prompt and meet the information needs of the Company as well as comply with the accounting principles set by current regulations in force.

These principles also apply to the drafting of expense reports by Company representatives, Employees and Collaborators.

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### **7.2 Confidentiality**

No confidential information relating to COELME, acquired or processed in the course or as a result of the performance of regular working activities on behalf of the Company may be used, communicated to Third Parties or disclosed without Managers' authorization.

Any confidential information that is not public and which is in any way discovered must be treated with care and attention by taking all appropriate measures to prevent disclosure to unauthorized persons.

Confidential information is understood as including all data, knowledge, corporate deeds, documents, reports, memos, notes, studies, drawings, photographs and any other material pertaining to company property and concerning company organization and assets, production methods, economic and financial operations and research and development activities, in addition to information dealing with judicial and administrative proceedings involving the Company. The same level of confidentiality is extended to all information concerning other businesses/individuals present and/or associated with COELME for any reason.

No Company representative, Employee or Collaborator is permitted to record or copy audio-visual, electronic, printed or photographic material belonging to the Company or present within the Company unless these activities are part of the assigned tasks.

The obligation to maintain confidentiality also applies after the working relationship with the Company has ceased, in compliance with the current legislation in force.

Any confidential information must be preserved in places inaccessible to unauthorized personnel.

### **7.3 Personal data protection and security**

Access to the Internet, the exchange of information and conversations at global level by means of IT tools or any other remote communication means as well as e-commerce are key factors for the effective performance of the work activities of each Company representative, Employee and Collaborator as well as for the pursuit of Company goals. The benefits provided by electronic communication systems, however, imply risks to personal data protection and security. The efficient prevention of the above-mentioned risks is an important component of COELME's *Information technology program (IT management)*, as well as of Managers', Company representatives', Collaborators' and Employees' behavior and daily work.

Processing personal data (meaning any operation of group of operations conducted with or without the assistance of electronic or automated instruments, concerning the collection, registration, organization, preservation, processing, modification, selection, extraction, comparison, use, interconnection, block, communication or disclosure of personal data) is only permitted to authorized personnel and in compliance with the regulations and procedures set in accordance with the legislation in force.

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### **7.4 Privileged information (*Insider trading*)**

Privileged information consists of any information whose specific content is not in the public domain and which concerns financial instruments or the issue of financial instruments and which, if disclosed, would be likely to have a significant effect on the price of said instruments.

Without prejudice to the confidentiality obligations set in paragraph 7.2, using information obtained on the job for one's own or Third Party's profit is prohibited.

Furthermore, any persons whose position within the Company or participation to the share capital of the Company or Third Parties lead to their being in possession of privileged information are strictly prohibited from:

- a. using the above-mentioned information to buy, sell or carry out any other operation on financial instruments;
- b. communicating this information or giving advice based on this information, for the purpose of carrying out operations on financial instruments, within the limits established by the current legislation.

Communicating privileged information concerning COELME within the Company is only permitted to recipients authorized to receive it and according to what they need to carry out their daily tasks.

## **8 Environmental protection and safety at work**

### **8.1 Environment**

Protecting the environment and safeguarding natural resources are prime objectives of the Company.

COELME's Environmental Manager shall make sure that environmental laws are complied with and enforce compliance with high conformity *standards*. Eco-sustainable planning, technical safety and health protection are COELME's constant goals from the very beginning of the product development phase.

Each Company representative Employee and Collaborator must contribute to achieving exemplary results in this sector when performing their work.

### **8.2 Safety at work**

Company representatives, Employees and Collaborators are obliged to strictly comply with Legislative Decree no. 81/08 as amended or added, any other legal provisions and regulations, as well as any procedure and internal rules established by the Company, for the protection of health and safety of work and the working environment.

To that end, workplaces, equipment and processes must all be planned and designed with the utmost respect for the current legislation governing health and safety at work.

Company representatives', Employees' and Collaborators' liability towards their partners and colleagues provides for the utmost care for accident prevention. All Company representatives, Employees and Collaborators must be very careful to adhere

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strictly to all the safety precautions and measures in operation, to avoid any risk to themselves or to their Collaborators and colleagues.

### **9 Organization, management and control model as per Legislative Decree 231/2001**

The Executive Body, in order to build a transparent reality based on the compliance with the standards required by all activities, in 2007 adopted the Organization, management and control model pursuant to Legislative Decree 231/2001 ("Regulation on the administrative liability of legal entities, companies and associations without legal personality") for the prevention of predicate offences.

The Executive Body appointed a Supervisory Board carrying all supervisory-related functions out in full autonomy and independently, to make sure that the Organization, management and control model is fully complied with and enforced.

Everybody must comply with the prevention protocols enshrined in the model according to the activities they carry out.

### **10 Implementation instructions**

#### **10.1 In general**

The Company guarantees that:

- a. the Code will be distributed as widely as possible to ensure maximum recognition;
- b. interpretation and implementation of this Code will be uniform;
- c. reports of violations of this Code will be followed up and the appropriate penalties imposed, in compliance with current legislation in force;
- d. any reprisals affecting those who contribute to the implementation of this Code will be prevented and suppressed;
- e. this Code will be periodically updated on the basis of any needs that may arise, at any time, including as a result of the above activities.

The Company shall implement this Code thanks to the Executive Body as well as the competent company Managers.

Specifically, the Executive Body and/or any company Manager responsible for human resources, thanks to the support of COELME's competent departments and on the basis of specific agreements:

- a. adopts the suitable measures for this Code to be distributed as widely as possible and to organize personnel training courses aiming at improving the perfect understanding of this Code;
- b. monitors compliance, implementation and adequacy of this Code, carrying out all necessary investigations should any violation be reported;
- c. in compliance with the applicable law and labor contracts, adopts the necessary sanctions consequent to the violation of this Code;

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The Executive Body with the support of Third Party advisors specialized in legal affairs and thanks to the support of COELME's competent departments and on the basis of specific agreements:

- a. promotes the uniform interpretation of this Code within the Company;
- b. ensures that this Code is constantly updated and amended according to needs, also as a consequence of supervisory and investigation activities following possible violations.

## **11 Appendix**

### **11.1 International treaties and recommendations**

Besides the national laws applicable in each country, some international organizations have issued treaties and recommendations which are essentially addressed to the states party to them, and not directly to corporations. However, these are just guidelines for businesses operating at international level and their personnel. Therefore, the Company emphasizes the importance of complying with the above-mentioned international guidelines as well as to the national legislation in force and requires its vendors and counterparts to do the same.

Please find below a list of the most significant treaties on this topic:

1. Universal Declaration of Human Rights (UN - 1948) and the European Convention on Human Rights and Fundamental Freedoms (1950);
2. ILO (International Labour Organisation) Tripartite Declaration of Principles concerning MNEs and Social Policy (1977), ILO Declaration on Fundamental Principles and Rights at Work (1998) especially concerning the following topics: abolition of child labor, elimination of forced labor, elimination of discrimination, freedom of association and right to collective bargaining;
3. OECD Guidelines (Organization for Economic Cooperation and Development) for MNEs (2000);
4. "Agenda 21" on sustainable development (final document of the United Nations conference on the environment and development, Rio de Janeiro, 1992).