



COSTRUZIONI MECCANICHE BANDERA S.p.A.

CODE OF ETHICS



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1. OVERVIEW

This Code of Ethics is aimed at affirming and making Company people aware of behaviour guiding principles to be observed at COSTRUZIONI MECCANICHE LUIGI BANDERA S.p.A. (hereinafter, “the Company”). It lays down ethical principles and key rules of conduct concerning, among others, reasonable prevention of criminal offences in the interest or for the benefit of the Company, besides giving guidance, recommending, promoting and in some cases prohibiting any behaviours, either expressly covered by the relevant regulatory framework or not.

2. RECIPIENTS

Company Code of Ethics rules shall apply to Company employees and to anyone working for the fulfilment of Company legitimate objectives, either as Company officers (managers, members of Company board of directors, etc.) or as external co-workers, who operate in the interest and/or for the benefit of the Company, at any title and subject to any legal relationship, e.g. sales agents, distributors, suppliers, etc.

Company Code of Ethics shall be implemented through formal adoption by Company governing body.

The aforementioned individuals shall be Recipients of Company Code of Ethics.

Recipients hereof shall be entitled and committed to know and implement Company Code of Ethics, as well as to report any detected weaknesses or any needs for updating or amending Code hereof.

Specifically, Company management shall implement and have Company Code of Ethics implemented by any actions required to have Company staff and co-workers informed about it.

3. COMPANY COMMITMENT

Company governing body shall provide for the following:

- Promotion and implementation of Company Code of Ethics by Recipients hereof by promoting any suitable training programs and systems as well as any activities aimed at a better understanding of Company Code of Ethics.
- Support in amending any interpretation issues, and provision of suitable information, and explanatory tools concerning Company Code of Ethics contents.
- Control, assessment and checking activities about any news or reports about possible breaches.



- Any tools and measures aimed at ensuring confidentiality and protection against any form of retaliation and/or discrimination against anyone reporting any breaches of Company Code of Ethics.

4. GENERAL BEHAVIOUR PRINCIPLES

Recipients' behaviour shall be inspired by the following principles:

- Compliance with applicable law provisions in force in Italy and in any other Country where Recipients operate.
- Transparency with regard to stakeholders, i.e. categories of individuals, groups or institutions whose interests are influenced by Company activities, either directly or indirectly.
- Responsibility towards the community whose economic and social development will be influenced by Company activities, either directly or indirectly.
- Protection of workers' safety, health, physical and moral integrity, and rights.
- Environment protection and safeguarding as far as all components of atmosphere, waters, soil and subsoil, flora, fauna and ecosystems.
- Respect of employees and commitment to valuing their professional skills and capabilities.
- Compliance with rules and regulations concerning taxes, social security and administration in order to guarantee correct calculation and acknowledgement of any tax, social security and administration burden duly and lawfully due by the Company.
- Rejection of any conduct which, even if aimed at achieving a goal consistent with Company interests, shows any aspects that are not compatible with principles under Company Code of Ethics and with the commitment to comply with applicable regulatory provisions and/or Company behaviour and procedure rules.

5. RESPECTING AND VALUING PEOPLE

Company shall promote valuation and development of its co-workers' capacities and competencies to let them contribute to the achievement of legitimate Company objectives as defined by Company management.

Company shall offer its employees equal work opportunities according to the relevant professional skills and performance abilities, with no discrimination on grounds of politics, trade union, religion, race, language and/or sex.

Company shall not enter into any job relationship or collaboration with any subjects without valid residence permit nor shall rely upon any companies recruiting staff by illegal



employment or in breach of working standards commonly implemented or defined by international rules and regulations.

Company shall defend its legitimate interests in industrial relationships with fairness and transparency, encouraging a constructive dialogue with workers unions, and business and trade associations.

As far as staff recruitment procedures are concerned, and within the limits of available information, Company shall carry out checks and controls to avoid any forms of favouritism, nepotism or patronage.

6. FAIR DEALING

When carrying out Company activities, Recipients' behaviour shall be based on the principles of honesty, transparency, loyalty, integrity and fairness, in compliance with corporate policies, and laws and rules in force.

Any offer of money, gifts, or benefits of any type whatsoever in excess of standard business practices, or aimed at obtaining undue advantages of any kind whatsoever, shall be strictly prohibited. Business courtesies shall be admitted, provided that they are modest in amount, and anyway such as not to prejudice recipient's integrity and reputation, nor to influence recipient's independent judgment.

Any Recipient, who receives gifts over and above the normal relations of courtesy, and that are not modest in amount, shall reject them and immediately report to the direct supervisor.

7. ENVIRONMENT AND WORKERS' PROTECTION

Company shall carry out production activities and Company operations in observance of Health and Safety Rules in the Workplace in order to safeguard Company employees and third parties' health and safety, as well as protecting environment and ecosystem. To the purpose hereof, Company shall commit to:

- Promote and consolidate a culture of safety by developing awareness of risks and promoting responsible behaviour.
- Safeguard workers' health and safety, above all by means of preventive actions.
- Facilitate continuous improvement concerning workers' safety and health and define suitable measuring methods focussed on workers' regular evaluation.



- Look for the best safety standards available for and applicable to Company activities based on consolidated scientific and technological knowledge.

8. REJECTION OF CORRUPT ATTITUDES AND PRACTICES

Recipients shall not inappropriately influence judgement independence of public subjects operating in the exercise of public functions and pursuing company legitimate objectives. Recipients shall reject any unlawful agreement with holders of public authority and representatives of other companies.

Under no circumstances, corruption or attempt to commit corruption of holders of public elective national and international authority shall be admitted, nor of public officers, in order to obtain undue benefits or other benefits for the Company or him.

Specifically, it shall be strictly prohibited to:

- Agree to promise or give money or any other benefits further to undue requests and/or pressure by public officers.
- Propose – in any way – employment and/or business opportunities, which can benefit public officers.
- Solicit or obtain confidential information that could compromise both parties' integrity and reputation.
- Perform any other action aimed at convincing public officers to do or omit to do anything in breach of laws in force.

9. CONFLICTS OF INTEREST AND TRANSPARENCY IN COMPANY DEEDS

Members of corporate bodies and Company employees shall refrain from any activity, which could carry the risk of conflict with corporate interests, even potentially. Provision hereof shall include any event in which one of the aforementioned subjects:

- Pursues an interest different from the Company mission.
- Takes “personal” advantage of Company business opportunities.
- Finds himself to manage activities that could interfere with or influence decision-making independence in assessing the best Company interest.

The above shall comprise, without limitations, the following conflict of interests:



- Economic and financial interests, either direct or indirect, of corporate body members and employees or their close relatives (i.e. relatives up to the third degree of kindred, similar within the second degree of kindred or cohabitating persons) in business activities or in activities by customers, suppliers or competitors.
- Title to managing or control corporate roles, other positions or offices of any nature whatsoever in customer, supplier or competitor companies.
- Exploitation of corporate function position for the pursuit of own or third parties' interests, which are in contrast with Company interests, even potentially.
- Use of information acquired in the exercise of their job functions to undue own or third parties' benefit in contrast with Company interests.
- Acceptance of money or other benefit by natural or legal persons who are or are willing to enter into business relationship with the Company.

Should any conflict of interests be detected, even potential, either inside or outside corporate activities, any involved subject shall refrain from engaging in any conduct in conflict and/or activities that could influence his own decision-making independence, and shall immediately report to the direct supervisor, who shall activate internal Functions competent for any required analysis on the matter.

10. INFORMATION PROTECTION AND TRANSPARENCY TO THE MARKET

Without prejudice to provisions set forth under national and international rules and regulations in force and under relevant organization tools (procedures, rules, instructions, etc.), Recipients shall observe professional secrecy and keep confidential any news and information acquired in the exercise of their functions. Confidentiality obligation hereof shall apply after termination of working relationship with the Company.

Each Recipient shall comply with corporate procedures implemented by Company in order to prevent any misuse of privileged and confidential information.

Company shall pursue its mission by promoting complete, correct, prompt, and understandable information and ensuring full transparency of choices made.

11. FAIR COMPETITION

Company shall protect the value of fair competition by founding corporate behaviour on clarity and fairness, rejecting collusion practices, obstructive behaviour, dissemination of false, misleading, distorted or disparaging information, concerning a competitor, its products or services.



12. ACCOUNTING TRANSPARENCY

Any operations concerning bookkeeping and processing of accounting data shall be based on truthfulness, correctness, and completeness of information.

Company shall reject any behaviour aimed at altering accounting and corporate information and data communicated to corporate bodies, Supervisory Authorities or stakeholders.

13. USE OF COMPANY EQUIPMENT AND COMPUTER SYSTEMS

Users authorized to use Company equipment and computer systems shall use Company computer resources in compliance with law and regulation provisions in force.

Intrusion into and damage to third parties' computer systems shall be strictly prohibited.

Users shall safeguard internal equipment and computer system integrity, and shall refrain from manipulating and modifying equipment and computer system functions in any way whatsoever.

14. SANCTION SYSTEM

Compliance with Company Code of Ethics shall be considered an integral key part of contract obligations undertaken by Recipients hereof within the scope of the relevant negotiation relationship with the Company.

According to the existing legal relationship established with the Company, breach of Company Code of Ethics shall be considered either disciplinary offence (as regards employees and co-workers hired under employment law relationship) or breach of trustee mandate (as regards members of corporate bodies) or breach of contract obligations (as regards contracts with counterparts including dedicated clauses that expressly refer to Company Code of Ethics).

Competent managers shall take all adequate measures and remedies under law and regulatory provisions in force according to contract underwritten between the infringer and the Company.



15. ENTRY INTO FORCE

Provisions under Company Code of Ethics shall be approved by Company Board of Directors and shall enter into force further to its dissemination.