



Fonderie Acciaierie Roiale Spa

CODE OF ETHICS

APPROVED by the Board of Directors of the Company on 08.07.2021

The Chairman of the Board

Enrico Veneroso

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1. GENERAL PRINCIPLES

FAR Fonderie Acciaierie Roiale S.p.A. (hereinafter also referred to as “F.A.R.”) has been operating in the production of wear-resistant steel used as spare parts in crushing machines since 1962. The company believes that the satisfaction of its customers’ needs is key to its business: it therefore pays constant attention to new market demands, which it turns into a driving force to continually, update and renew its materials and products.

F.A.R. is a point of reference and a guarantee for operators in the crushing sector, thanks to its highly skilled and professional technicians and its dynamic structure that quickly responds to market signals.

While F.A.R. is committed to maintaining its market position and to ensuring the utmost satisfaction of its customers, this takes nothing from its determination to act as a point of reference for the community by encouraging highly ethical standards of behaviour within the company.

F.A.R.’s compliance with the ethical principles in this code aims to meet economic as well as ethical purposes: F.A.R. is well aware, in fact, that the conduct of few can damage the image of many, and is therefore firmly determined to prevent - and prosecute, if necessary - any illegal conduct that can damage both the capital value and the reputation of the company.

This code will help ensure that its recipients act in compliance with the standards that F.A.R. considers essential for its business environment, namely responsibility, honesty and transparency.

2. CODE OF ETHICS PURPOSE AND STRUCTURE

The Code of Ethics identifies the standards and rules of conduct that the Company recognises as having a positive ethical value to guide the process towards compliance, efficiency, transparency, competence creation, integrity and fair management.

Therefore, compliance with the rules and standards contained in this Code of Ethics is at the basis of the Company’s internal and external activities.

The Code of Ethics is one of the instruments of social responsibility of the company. It sets out the ethical standards, values and good behaviour practices that must orient the conduct of anyone acting in favour of the Company - either from inside or from outside - in pursuit of its goals.

This Code of Ethics is also an integral part of the Organization, Management and Control Model (“231 Model”). Further to the definition of the Offences included in the scope of application of the Decree, the Code of Ethics includes general standards of behaviour, while the specific rules to prevent the commission of single offences under the Decree are set out in the 231 Model.

By this Code of Ethics, the Company expresses its rights, duties and responsibilities towards the Stakeholders. The ethical standards that guide the Company’s conduct, method of operation and management of its relations with Stakeholders are integrity, transparency, responsibility and consistency.

The provisions in this Code of Ethics promote or prohibit certain conducts and behaviours, above and beyond the provisions of the law. In fact, while illegal behaviour is already prohibited and punished by the law, the Code of Ethics aims to deter opportunistic behaviour of the Recipients, which, even when it is not specifically prohibited by law, is in contrast with the corporate ethics and is

considered socially unacceptable. It can therefore cause damage the Company's image, when committed by parties that act, apparently at least, on its behalf.

Thus, by this Code of Ethics, the Company:

1. defines and discloses the ethical standards underlying its activities and relations with Stakeholders, i.e. parties interested, for various reasons, in the existence and operations of the Company;
2. indicates the binding ethical standards, with which the Recipients of this Code of Ethics must comply;
3. holds the Recipients of the Code of Ethics to account for compliance with the ethical standards, also through a specific penalty system that ensures its effectiveness and efficacy.

3. VALIDITY OF THE CODE OF ETHICS TOWARDS THE RECIPIENTS

The Code of Ethics is binding for the behaviour of all parties within the Company - given that it forms part of the Company's provisions – as well as for certain external partners, in view of the contractual relationship with the Company.

In general, the Company hopes that such parties share the principles underlying the Code of Ethics, and that they will comply with the relevant rules of conduct on their own accord.

On the above assumption, Recipients of the Code of Ethics are persons who, for various reasons and with different responsibilities, form the organisation of the Company and directly and indirectly achieve the purposes of the same and, notably:

1. members of the Company's Board of Directors that set the corporate objectives based on the standards in this Code of Ethics;
2. those with management powers resulting from a proxy granted by the Board of Directors (currently Managing Director/s and Chairman of the Board of Directors), who comply with the principles, objectives and commitments envisaged by the Code of Ethics in performing the activities entrusted to them;
3. members of the Company's Board of Statutory Auditors, who take into account the provisions of the Code of Ethics in performing their general audit of corporate activities;
4. executives, who will be responsible for internal and external affairs as well as for reinforcing trust, cohesion and team spirit.
5. Employees, who, pursuant to current laws and legislations, must conform their actions and behaviour to the standards, objectives and duties under the Code of Ethics;
6. Contractors, who conform their conducts and professional practices to the Code of Ethics;

The Company promotes knowledge of and compliance with this Code of Ethics and with the relevant updates among the Recipients. These latter are required to know the content of the Code and to contribute, within their respective responsibilities and positions, to the implementation and dissemination of the relevant standards and rules, also ensuring compliance therewith by anyone with whom they have business relations (customers, institutions, financial analysts, mass media, suppliers, consultants, etc.)

Any breach of the Code rules by a Recipient causes a damage to the Company; therefore, it also amounts to a breach of the relationship of trust with the same. Any conduct contrary to the provisions in this Code of Ethics will result in the application against the Recipient of the measures envisaged by the Disciplinary System.

4. RULES OF CONDUCT IN THE BUSINESS ACTIVITY

4.1. ETHICAL STANDARDS

The following essential rules of conduct represent the ethical principles underlying the Company's activities:

1. integrity, intended as fairness and honesty in relationships within and outside the company;
2. transparency, intended as clear, complete and timely information to stakeholders;
3. responsibility, intended as awareness of the tasks entrusted to each person and loyal and effective performance of the same in order to achieve the corporate purposes;
4. consistency, intended as the daily commitment to the achievement of the mission, the values and the operating principles of the Company.

These Principles are the cornerstone of the strategic planning, the objectives and the operating management of F.A.R.

4.2. GENERAL RULES OF CONDUCT

The Recipients of this Code of Ethics shall comply, in the areas for which they are responsible, with the following guiding principles:

1. acting in an informed manner in compliance with the laws and regulations in force in Italy and in the Countries in which the company operates. This duty also applies to those who have contractual relationships with the Company. This latter will not start or continue any relationship with anyone who does not intend to abide by the principle of strict compliance with all legal provisions;
2. observing all measures adopted by the competent authorities with respect to the Company (including any penalty or disqualification orders);
3. treating customers, shareholders, employees, suppliers, the surrounding community and the institutions that represent such community, including public officers and persons exercising a public service and any third party with whom professional relations are formed, with honesty, fairness, impartiality and without prejudice;
4. competing fairly in the marketplace. Accordingly, the Recipients shall not, among other things, prevent or hinder the operation of an industry or commerce, use violence or threat as part of unfair competition or use or put objects or goods on the market that have been manufactured by encroaching on an industrial property right of third parties;
5. protecting their own and others' health and safety;
6. monitoring and, where appropriate, reducing to the minimum the potentially harmful effects of the activities on the environment; maintaining the confidentiality of the information concerning the companies belonging to the Group, its know-how, or its employees, customers and suppliers;
7. acting in accordance with the principle that each operation and transaction must be duly recorded, verifiable, lawful, consistent and appropriate;
8. avoiding or previously declaring any conflicts of interest to allow taking the appropriate determinations;
9. using all intellectual and tangible assets of the Company, including IT tools, in compliance with the general rules and with their intended use and in such manner as to protect their preservation and operation, without infringing any intellectual property rights of third parties and avoiding any use of the same in breach of legal provisions;
10. ensuring the confidentiality of personal data and business information. The Recipients of the Code of Ethics shall exclusively use such data and information for the performance of the duties for which they are respectively responsible.

Pursuant to such rules of conduct, the Recipients shall not:

1. perform activities (even free of charge), or engage in behaviours and actions that are in any way in conflict with the duties related to the relationships they have with the Company;
2. pursue personal interests or interests of third parties to the detriment of the corporate interest;
3. unduly exploit the name and reputation of the Company in their own interest or in the interest of third parties;
4. use corporate assets for purposes other than those inherent in such assets;
5. accept donations, favours or benefits of any nature whatsoever, except for gifts and forms of business courtesy of a modest amount, provided that they are not aimed at obtaining improper advantages;
6. give money or assets, except for free gifts and other forms of business courtesy of a modest amount.

5. MANAGEMENT OF THE CORPORATE ACTIVITY

5.1. CORPORATE TRANSACTIONS

All conducts of F.A.R. and of the Recipients of the Code of Ethics, each for the area for which they are responsible, must aim to an efficient corporate and business management.

All transactions must be lawful, consistent, appropriate, knowable and traceable, through proper registration.

Proper and suitable registration and documentation of each transaction aims, *inter alia*, to permit future controls to certify the characteristics and the reasons behind, and identify the person who has authorised, carried out and verified the transaction.

In this context, moreover, the Board of Directors and each Director being entrusted with the management activity will collaborate with – and not hinder – the controls to be performed by the shareholders, the supervisory bodies, the audit company and by public authorities.

Particular attention should be given by the Recipients of the Code of Ethics, each for the area for which they are responsible, to financial and/or commercial activities with natural and legal persons based in Italy and in foreign Countries. These operations may be concluded with both natural and legal persons, even related to the Company.

The Recipients shall:

- i) evaluate the other party in light of the selection criteria set by the Board of Directors, including with reference to the requirements of honourability and expertise of the party;
- ii) carry out controls aimed at verifying the presence of the other party in the list of the *Unità di Informazione Finanziaria* (UIF, Financial Information Unit) established with the Bank of Italy.

Lastly, the Company and the Recipients, each for the area for which they are responsible, shall:

- i) ensure the utmost cooperation with Judges in order to meet any requests for corporate information/documents coming from them;
- ii) refrain from putting in place operations that are liable to hinder the activity of Judges aimed to ascertain the illegal origin of money, goods or other benefits.

5.2. REGISTRATION AND TRACEABILITY OF TRANSACTIONS

Each operation and transaction must be properly recorded and authorised and must be subject to verification, lawful, consistent and appropriate. All actions and operations of F.A.R. must be subjected to suitable registration and it must be possible to verify the relevant decision-making, authorisation and performance process. Suitable supporting documents must be in place for each operation in order to be able at any time to carry out controls aimed at verifying the characteristics and the reasons behind each operation identifying the person who has authorised, carried out, recorded and verified such operation.

5.3. BUDGET

Budgets are prepared and agreed upon by F.A.R.'s directors to ensure effective financial controls on its costs.

No deviation from the agreed budgets is admitted, and no out-of-budget costs can be allowed without a specific approval given in advance in accordance with the current corporate procedures.

Each additional expense approved shall be recorded in the accounts for accurate estimated results.

5.4. PREPARATION OF THE FINANCIAL STATEMENTS

The collection, registration, processing, presentation and dissemination of accounting and management data in accordance with the procedures and time limits set by applicable laws and in line with the corporate procedures represent a priority target for F.A.R.

In order for the accounts to meet the requirements of accuracy, completeness and transparency of the recorded data, suitable and complete documentation will be kept in the Company's records in support of the activity carried out, and in such manner as to permit:

1. the accurate registration of each operation in the accounts;
2. the immediate definition of the characteristics and of the reasons behind it;
3. an easy reconstruction of the operation history;
4. the verification of the decision-making, authorisation and performance process as well as the identification of the various levels of responsibility and control.

The collaboration of all Recipients of the Code of Ethics is necessary in order to pursue this objective. They have a duty, each within their own responsibility, to act in a committed, fair and transparent manner throughout the stage of preparation and drafting of the financial statements and of all other documents certifying the economic and financial situation and the assets and liabilities of the Company, in order to ensure that the accounting and management data and information contained in such documents are true, accurate, complete and clear.

When certain data concerning finance or assets are based on estimates, the same must be recorded in accordance with principles of reasonableness and conservatism through a clear illustration in the relevant documents of the criteria used to determine the value of the relevant asset.

Administrative and accounting activities are carried out by availing of advanced computer instruments and procedures to ensure the best efficiency, accuracy, completeness and compliance with the accounting standards and facilitate the necessary checks and verifications regarding the lawfulness, consistency and congruence of the decision-making, authorisation and performance process relevant to the transactions at issue.

5.5. FALSE ACCOUNTING RECORDS, BLACK BUDGET, PAYMENTS AND RECEIPTS

No payments or receipts shall be approved if their intended use is other than that described in the supporting documents. Invoices shall indicate the nature of the services or goods purchased.

Issuing or accepting “grey” invoices is forbidden. “Grey” invoices are those aimed at avoiding or reducing the payment of VAT or other taxes and rates. The company does not tolerate the “grey” invoicing practice.

Payments into “slush funds”, or similar funds or accounts – meaning those for which no entry has been made in the accounts for the relevant receipts or expenses – are strictly forbidden.

False registrations, distortion of facts, or presentation of inaccurate facts or reports are totally unacceptable. They amount to an abuse of trust and a serious breach of ethical principles.

Accordingly, F.A.R. instructs its corporate bodies, Staff and Collaborators so that the accuracy, completeness and timeliness of both incoming and outgoing information be always ensured.

For such purpose, each operation or transaction shall be properly and timely recorded in the company’s accounting system in accordance with the criteria indicated by the law and based on the applicable accounting standards; each operation or transaction must be authorised, verifiable, lawful, consistent and appropriate.

Each accounting entry must exactly reflect the contents of the supporting documents. Therefore, anyone acting within the scope of action of the Company and entrusted with such task will be responsible for ensuring that the supporting documents be easy to find and ordered according to logical criteria and in compliance with the corporate provisions and procedures.

No payments shall be made on behalf of the Company without suitable supporting documents.

Anyone – to the extent that he or she is entrusted with such tasks – becomes aware of any omissions, forgeries or oversights in accounting records or supporting documents shall timely inform the Supervisory Body thereof.

5.6. TAX FULFILLMENT

The Company fully and transparently carries out all tax obligations provided for by the current legislation and cooperates, where required, with the tax authorities. Tax returns and the payment of taxes are not only mandatory from a legal point of view but also unavoidable in the context of corporate social responsibility. Criminal conducts that may involve the Company in criminal proceedings pursuant to Legislative Decree 231/2001 are expressly prohibited. Any violation of the prohibitions specified above is absolutely contrary to the interest of the Company. The recipients of this Code must not in any way commit or compete with others to commit criminal violations of tax legislation.

6. CONFLICT OF INTEREST

6.1. GENERAL PRINCIPLES OF CONDUCT

The Company acknowledges and respects the right of all members of the corporate bodies, Employees and Collaborators to participate in investments, business transactions or other activities outside the work performed in favour of the Company, provided that such activities are consistent with the duties owed to the Company.

In any event, in performing such activities, the resources and the name of the Company must not be improperly used and its good name and reputation must not be damaged.

A conflict between the personal interest and the interest of the Company arises when a behaviour or decision of an individual is liable to generate an immediate or eventual advantage for the same or for his or her relatives or acquaintances, to the detriment of the interest of the Company. The conflict of interest has a direct impact on the individual, meaning that it may affect or however limit his or her objectivity of judgment and even undermine his or her loyalty to the Company.

It is not permitted to pursue a personal interest to the detriment of the interests of the Company, or to make a personal and unauthorised use of the corporate assets or of information acquired in performing duties for the Company, or to hold interests, directly or indirectly, in competing companies. The efficacy of this provision largely depends on the collaboration of the Recipients of the Code of Ethics, who should notify all and any situations in contrast with the spirit of this internal rule and with the ethically correct conduct it requires.

More in detail:

1. members of the corporate bodies, Employees and Collaborators shall avoid any actual or prospective conflict of interest with the Company;
2. members of the corporate bodies, Employees and Collaborators shall report all activities, financial interests and external relationships that are liable to give rise to an actual or apparent conflict of interest. If these conflicts are of such a nature as to possibly influence the decisions to take, a suitable action shall be taken to reduce such influence.

Conflicts of interest, both direct and indirect, include:

1. Having personal financial interests in a business transaction involving the other party to a contract or a customer of the Company, such as:
 - a. purchasing or holding shares or accepting corporate offices in a company that is a customer or supplier of the Company;
 - b. a personal loan to a supplier or a customer;
 - c. a personal loan from a supplier or a customer under more advantageous conditions than those usually applying or available in the market;
 - d. soliciting loans from customers or suppliers who, based on the provisions of their Articles of Association, do not engage in granting of finance to the public in any form whatsoever.
2. The payment of a commission for procuring business to the Company with a customer or supplier with whom the employee has a personal or financial interest.
3. A financial or personal involvement with an employee or representative of a supplier, a customer or a competitor of the Company, with whom the members of the corporate bodies, Employees or Collaborators regularly keep in touch in conducting the Company's business.
4. Receiving gifts, except for those of modest value, from suppliers, customers or competitors when the members of the corporate bodies, Employees or Collaborators are in a situation that allows them to influence the decisions of the Company that are or seem to be liable to interfere with such supplier, customer or competitor.
5. Obtaining discounts and other personal advantages from suppliers or customers that are not available to the public in general or to other Employees that hold a similar position in the Company.
6. Accepting an offer of shares at favourable conditions from a company that resorts to public subscription, when the members of the corporate bodies, Employees or Collaborators have relationships with that company within their work performed in favour of the Company.
7. Assigning works to supplying companies owned or managed by a relative or a friend.
8. Taking decisions in favour of a spouse, relative or friend with respect to the hiring or career advancement of the same, as an Employee of the Company.
9. Having a part-time job with a company that does business in competition with the Company or in similar areas.
10. Doing work outside the Company for customers, suppliers or competitors.

Members of the corporate bodies, Employees and Collaborators shall refrain from taking part in any activity that may result in the disclosure of confidential information of the Company or confidential information of others who have entrusted the Company with such information.

Members of the Corporate Bodies, Employees and Collaborators shall not make use of or disclose to any third parties any confidential information of the Company without a prior authorisation to that effect and, however, in manners that are not in line with the laws on privacy and all other applicable laws and regulations.

Employees shall not use the confidential information of the Company obtained thanks to their position and role in the Company to obtain personal advantages.

Employees shall not use their working time or the work tools provided by the Company for interests other than those of the Company, including political, economic, personal or other interests of any nature whatsoever.

6.2. DECLARATION OF CONFLICTS OF INTEREST

Anyone who thinks to have a personal interest in conflict – even potentially – with the corporate interest must submit a written declaration to that effect in order to allow the Company to take appropriate action.

Any activities underway that could be seen as liable to generate a conflict of interest should be declared before the conflict in question emerges, or as soon as it has arisen.

Members of Corporate Bodies, Employees and Collaborators are required to declare any potential conflicts of interest first of all in order to protect themselves, as well as to encourage transparency and a management of the Company's business guided by ethical values.

Moreover, the Company requires that each member of the Corporate Bodies, Employee and Collaborator declare any present or future conflicts of interest before accepting an appointment to manager, officer or member of the board of directors.

These persons are always criminally responsible for their statements regarding the existence of an actual or potential conflict of interests.

If the conflict of interests could not be reasonably foreseen, it will not be possible to consider it as a breach of this provision. However, the conflict of interests must be declared as soon as the person becomes aware of it.

The above provisions apply in particular to Directors, who shall inform the Board of Directors of any interest they may have – on their own behalf or on behalf of third parties – in a specific transaction. In such event, unless a specific decision to the contrary is taken by the Board of Directors, the Director shall abstain from the vote on the resolution related to the operation in which he or she has a personal interest or an interest of third parties.

7. RESPONSIBILITY AND CONTROL OF THE CORPORATE ASSETS AND RESOURCES

7.1. RESPONSIBILITY FOR THE ASSETS AND FINANCES OF THE COMPANY

Corporate Bodies, Employees and Collaborators are responsible for all assets and finances of the Company that are in their custody and for protecting them against the risk of loss or damage.

7.2. INTERNAL CONTROL, IDENTIFICATION AND MANAGEMENT OF RISKS

Sound corporate management requires, *inter alia*, effective and efficient controls to be carried out and implemented at any time. Commercial risks must be constantly identified and managed by the corporate bodies and managers.

Moreover, risks must be identified and managed in a proper manner, so as to reduce to the minimum the exposure of the Company to losses, legal responsibilities, damages and accidents.

7.3. IMPROPER USE OF CORPORATE ASSETS

All assets and resources of the Company – including IT assets – shall be exclusively used for their intended purposes. However, reasonable, occasional use of certain assets by the Recipients of the Code of Ethics is permitted. Each use of corporate assets and resources – including IT assets – must be expressly declared and duly recorded so that it may be subjected to verification. Any improper use of such resources will be prosecuted, even by using disciplinary measures.

Each recipient shall act with the necessary diligence to protect the corporate resources – including IT assets – by avoiding any improper use that may result in damage or reduced efficiency or, however, any use in contrast with the interest of the Company. Likewise, the Recipients shall be responsible for protecting such assets and preventing any fraudulent or improper use by third parties.

7.4. IMPROPER USE OF COMPANY RESOURCES

All information technology and data transmission resources are essential tools for an efficient and competitive operation of the business. They ensure the rapid, extensive and correct information flows that are necessary for the efficient management and the control of the corporate activities.

All information stored in information technology and data transmission systems of the company, including the electronic mail, are the property of the Company and must be exclusively used to perform corporate activities, in accordance with the directions and within the limits indicated by the same.

In order to ensure, among other things, the compliance with the legislation on data processing, use of IT and data transmission tools must be proper and limited. All use aimed at collecting, storing and disseminating data and information for purposes other than the corporate business must be avoided.

Any use in the corporate activities of computer or data transmission software on which third parties have copyrights is forbidden, unless a licence has been previously granted to the company.

For the purpose of preventing offences under Legislative Decree [D.Lgs.] 231/2001 and of protecting the Company and its assets, all use of computer and data transmission tools shall be monitored and verified by the company, in which they are used.

7.5. DONATIONS

Any donation to political parties, sports or social associations or any other organisations shall be made in compliance with the Company's policy or depending on the budget, with a specific approval of the Board of Directors or based on the powers delegated by the same.

7.6. POLITICAL OFFICES

Before accepting any form of political offices or offices related to local administrations, the Recipients of the Code of Ethics must be sure that no conflict of interest may arise and that the assignment offered is not liable to negatively affect their employment relationship.

7.7. VEHICLES, AIR TRAVEL AND HOTEL ACCOMMODATIONS

The type of vehicle that may be rented, the travel class and the hotel accommodation that may be used are defined by the Board of Directors (or by the management, where appropriate).

No members of the corporate bodies, Employees and Collaborators are allowed to change the above rules and to obtain a higher class without an authorisation granted for a specific, valid reason.

Company cars and vehicles entrusted are mainly provided for business use. Company cars may only be used by persons authorised by the Board of Directors (or by the management, where appropriate) in accordance with the conditions agreed upon for the use of such vehicles.

Members of corporate bodies, Employees and Collaborators shall not put their company cars at the disposal of others without a prior authorisation of the Board of Directors (or by the management, where appropriate).

7.8. EXPENSE REQUESTS

Expense requests are limited to those permitted and reasonable in the normal course of work. The relevant invoices, documents and statements of expenditure must be consistent with the expense requests.

All requests must be duly approved and signed by the person identified in the corporate procedures for the management of financial flows.

Employees shall not authorise their own expense requests. All costs incurred by Employees, such as mobile phone calls, entertainment expenses, travelling expenses and passes must be approved in accordance with the corporate procedures in force.

8. GIFTS AND ENTERTAINMENT EXPENSES

8.1. PRINCIPLES

In the social community, gifts and entertainment expenses have long played a significant role in building and reinforcing business and personal relationships.

However, Recipients must make sure not to give or accept gifts or to offer or accept benefits in the form of entertainment expenses that might negatively affect business relations and decisions.

These guidelines and procedures are aimed at protecting both the Company and individuals, supporting their proper and ethical behaviour.

Giving or exchanging gifts and favours with suppliers, customers or Employees of the Company is acceptable to the extent that they are of modest value and justified by transparent business reasons.

The standard authorisation levels, like for expenses, should be followed when giving gifts or doing favours.

An entertainment expense can be excessive in terms both of frequency and of size.

No amount of money can be given, offered or accepted, directly or indirectly, in order to improperly obtain or remunerate a favourable treatment.

Gifts given and received must be duly recorded in accordance with the corporate procedures in force ensuring their knowledgeability and transparency.

8.2. HANDLING OF UNACCEPTABLE GIFTS AND FAVOURS

Employees and Collaborators should take efforts to prevent and avoid situations that may lead to unacceptable gifts or favours.

However, whenever the management determines that a gift or favour offered to a member of F.A.R.'s corporate bodies, or to an Employee or a Collaborator is excessive and should not be accepted, or that a gift already received should not be kept, the refusal must be justified providing reasons referred to the directions of the Company in this matter.

9. PROCESSING OF INFORMATION

9.1. PROPRIETARY INFORMATION OF THE COMPANY

All trade secrets and confidential information of the Company shall be considered as valuable assets. The protection of such information plays an essential role in the profile, growth and competitiveness of the Company.

A trade secret will be treated as an asset, usually in the form of information, knowledge or know-how. Its possession gives the owner some advantages over the competitors, to whom the "secret" is not available. A trade secret must remain such and therefore it must not become public domain. A secret must not be patentable in order to be qualified as a trade secret.

The Recipients have the following obligations in managing confidential information and trade secrets:

1. not disclosing such information to anyone outside the Company through conversations with third parties, unless an authorisation has been given to that effect;

2. not using such information for the personal benefit of the Employee or for the advantage or benefit of anyone outside the Company.

The trade secrets of the Company and its proprietary information typically concern research and planning relevant to new products, objectives, strategies, programs for a certain initiative, all information that is not public domain and of financial nature or related to prices; profits, designs, formulas, skills and ways to facilitate production, methods and systems, the remuneration of the corporate bodies and of Employees and Collaborators, the list of customers and suppliers, detailed information relevant to customer requirements, preferences, financial habits and plans, except for information that is publicly available. The above list, which is without limitation, is an indication of the wide range and variety of the confidential information to be protected.

The following shall in any event remain the property of the Company: correspondence, printed materials, documents, registers of any nature whatsoever and the specific knowledge of the procedures.

9.2. TRADE SECRETS AND THIRD-PARTY INFORMATION

In line with the principles of the Company, trade secrets and proprietary information of others are to be respected. This rule is of key importance when a Recipient of the Code of Ethics knows the trade secrets of another company, with which he or she has worked. No member of the corporate bodies, Employee or Collaborator shall reveal any information to the Company, which may be reasonably considered as a trade secret of a third party with whom they have worked.

The Recipients may, under a formally approved agreement, become acquainted with projects, processes or technologies of suppliers, customers, competitors or other persons, or obtain other information that has been defined as proprietary or as trade secrets.

The Recipients shall make sure to respect the proprietary nature of such information and shall not use or disclose the same without a proper authorisation.

10. SAFETY OF THE WORKING ENVIRONMENT AND OF THE COMPANY'S PREMISES

The company promotes a healthy and safe working environment. For such purpose, the Company carries out the risk assessment under D.Lgs. 81/2008 and subsequent amendments and additions ("Consolidated Act on Safety" or "TUS"). This indicates a global and documented mapping of all risks for the "health and safety of workers present in the organisation within which they perform their activity, aimed at identifying suitable prevention and protection measures and working out a plan of measures to ensure the improvement of the levels of health and safety over time".

The business premises in which the Company operates are such as to ensure conditions that safeguard the physical and moral integrity and the individual dignity of anyone interacting with it for any reason whatsoever, as well as complying with all applicable laws on accident prevention and occupational safety.

All and any decision of any nature and at any level within the Company, related to occupational health and safety, shall take into account the following fundamental principles:

1. avoiding risks;
2. evaluating the risks that cannot be avoided;
3. combating risks at source;
4. adapting the work to the individual – especially as regards the design of work places, the choice of work equipment and of the working and production methods – with a view, in particular, to alleviating monotonous and repetitive work and to reducing their effect on health;
5. taking technical progress into account;
6. replacing obsolete equipment;
7. giving collective protection measures priority over individual measures;
8. adopting occupational health and safety management systems;
9. defining specific improvement targets and plans, aimed at reducing occupational accidents and diseases to the minimum,
10. accounting for health and safety and for the methods of performing work.

This reflects in the following duties of the Recipients of the Code of Ethics, who, in order to contribute to the risk prevention process and to the protection of health and safety for themselves, for their colleagues and for third parties, and in addition to the individual obligations and responsibilities under the applicable legislation, undertake to:

1. comply with laws and regulations regarding occupational safety and health;

2. using the protection measures made available to them by the Company to protect themselves and other persons acting within the scope of activity of the Company from damages and diseases related to the performance of work;
3. maintaining a healthy and safe working environment;
4. reducing the use of toxic and hazardous materials;
5. reducing the impact of the Company on the environment to the minimum, by maximizing the use of its resources.

Moreover, the management is required to collaborate in order to:

1. complete investigations on the risks for health and safety in all workplaces, and defining the prevention measures that should be reinforced;
2. informing Employees and Workers of all risks and establishing a culture of safety among all collaborators, by creating awareness of the risks and encouraging responsible behaviours on their part, including through appropriate instructions
3. training all Employees and Workers for the use of protection, safety and medical equipment so as to enable them to deal with occupational risks;
4. reinforcing health and safety rules, by introducing an obligation to wear – in certain cases – protection devices.

There is a general prohibition within the Company to use alcohol and drugs at work. Smoking at the workplace is also forbidden – in compliance with the law – and the same applies in any case in which smoking may endanger the Company's structures and assets or the health and safety of colleagues and third parties

11. ENVIRONMENTAL PROTECTION

The environment is a primary asset to the community and the Company intends to contribute to its protection. For such purpose, the same tries to find a balance in planning its activities between business initiatives and environmental needs, in compliance with all applicable laws and regulations, and it cooperates in full with the Public Authorities that are responsible for monitoring, supervising and protecting the environment.

The Recipients of this Code shall contribute to the environmental protection process. In particular, those who are involved in the production processes shall pay close attention to avoid illegal discharges, emissions, inputs and spillage and to manage all waste or scrap considered as particularly hazardous in compliance with the applicable laws.

In promoting, designing or entrusting others with the design of construction projects, F.A.R. shall perform and ensure the performance of, *inter alia*, all necessary investigations to assess possible environmental risks that may result from such project, and prevent the relevant damages.

12. CHILD LABOUR AND FORCED LABOUR

FAR does not employ any form of forced labour, compulsory labour or child labour, or rather does not employ people under the age established for starting work by the regulations of the place where the work is performed and, in any case, of age less than fifteen years, subject to exceptions expressly provided for by international conventions and local legislation. FAR also undertakes not to establish or maintain business relationships with suppliers who employ child labour, as defined above.

13. RELATIONS WITH STAKEHOLDERS

13.1. RELATIONS WITH COLLEAGUES

Respect, dignity and equal treatment are core values in the Company.

In view of the collaboration and trust that exist among the Recipients, these latter undertake to refrain from making comments or statements that may cause damage to the image of the Company. They also undertake to maintain an atmosphere of mutual respect of the dignity, honour and reputation of each individual as well as respect the organisation existing within the Company. Any discrimination through words or facts, based on race, gender, language, religion, sexual orientation or physical disability is forbidden.

13.2. RELATIONS WITH CUSTOMERS AND CLIENTS

The Company believes that the achievement of the maximum business results is linked to the conduction of the corporate business in line with the maximum satisfaction and protection of its customers.

In its relations with customers and clients, the Company ensures fairness, transparency in business negotiations and in the stipulation of contractual bonds as well as the diligent performance of contracts, in particular by making sure that the products and services provided have all features and qualities promised and represented to customers. In view of a relationship based on cooperation and high professional expertise, helpfulness, respect and courtesy must always be ensured.

The above being said, in any relations with customers, the Recipients, within their respective responsibility, shall apply appropriate conditions for each type of customers to ensure equal treatment to customers who are in the same conditions and conform to the market practices prevailing in the relevant sector. The quality of the conditions offered shall not be affected by aspects related to personal relationships between an employee or member of the top management and a customer.

In conducting any negotiations, situations in which the parties to the negotiations are or may seem to be in conflict of interest must always be avoided.

13.3. RELATIONS WITH SUPPLIERS

Relations with suppliers, including those of financial and consulting nature, shall be developed in accordance with the applicable laws. They are subject to the principles contained in this Code and are the object of constant and careful monitoring by the Company.

F.A.R. avails of suppliers, contractors or subcontractors that operate in accordance with the applicable laws and with the rules set out in this Code.

The selection of suppliers and the definition of the conditions of purchase are based on an objective evaluation of the quality, the price of the services offered, the ability to provide and timely guarantee services of a suitable level for the needs of the Company. In no event a supplier shall be preferred over another by reason of personal relationships, favouritism or advantages, other than the exclusive interest and benefit of the Company.

In particular, the selection of suppliers of machinery and equipment shall be based, *inter alia*, on whether the supplies comply with the laws on occupational safety and hygiene.

Supplies of personal protective equipment and, however, of general safety and prevention equipment shall comply with the obligations related to certification and suitability, both general and specific, for the intended use.

Before entrusting any third parties with activities to be performed within the Company or in companies included in its production cycle, within construction and works contracts and long-term supplies, the technical and professional qualifications of the third party shall be verified, thus giving effect to the specific obligations under law regarding occupational safety and hygiene.

The Company undertakes to respect any industrial property rights of third-party suppliers and designers on materials, products, processes and projects used by the Company in performing its activities and manufacturing its products.

13.4. RELATIONS WITH EMPLOYEES AND COLLABORATORS

Human resources are an essential factor for the existence, growth and success of a business. The Company can avail of the activity of its resources in compliance with the rules of conduct outlined below.

In employment relations, regardless of their legal classification, the Company enhances the expertise, the potential and the commitment of Employees and Collaborators, offers equal opportunities to all employees and collaborators and adopts objective evaluation criteria linked to professional qualifications and individual skills. It avoids any form of discrimination referred to physical conditions, political and trade union opinions, nationality, religion, gender and sexual orientation.

The Company will not tolerate any requests or threats aimed at inducing a person to act against the law and in breach of this Code of Ethics, nor any psychological violence and/or discriminatory or harmful behaviour.

As well as being suitable in terms of safety and personal health of the employees, the working environment is marked by mutual cooperation and the creation of a team spirit, respecting the moral personality of each individual, and without any forms of prejudice, intimidation, undue influence or inconvenience.

The information requested from Employees and Workers are exclusively related to the assessment of the professional and working requirements, respecting their privacy. In any event, in compliance with the applicable laws on privacy, the Company undertakes to protect any information received related to the privacy and the opinions of Employees and Workers.

13.5. RELATIONS WITH COMPETITORS

F.A.R. believes in free and loyal competition and its actions are aimed at obtaining competitive results rewarding expertise, experience and efficiency.

The Company and its collaborators will behave fairly in the business of the Company and in all relations with the Public Administration.

Any action aimed at altering the conditions of fair competition is contrary to the Company's policy and is forbidden to any person acting on behalf of the Company.

In no event the pursuit of the interest of the Company can justify a conduct of top managers or collaborators in contrast with applicable laws and with the rules under this Code.

13.6. MASS MEDIA AND INSTITUTIONAL RELATIONS

All contacts with the media shall be exclusively held by the corporate functions specifically empowered for that purpose.

External communication to the public at large shall be based on respect for the right to information. In no event is it permitted to disseminate false or misleading information or comments.

Information to the media shall be accurate, coordinated and consistent with the Company's principles and policy, it shall respect all laws, rules and practices of professional conduct; and be clear and transparent. It is strictly forbidden to spread false news. In each external communication, all information concerning the Company and its business shall be truthful, clear and subject to verification.

The Company reserves the taking of commitments to third parties, and particularly to other institutions – both public and private – exclusively for the functions empowered for that purpose and expressly authorised, based on the strictest compliance with laws and regulations.

13.7. RELATIONS WITH THE PUBLIC ADMINISTRATION

In all relations with the Public Administration (hereinafter also PA), the Company shall pay full attention to each action, behaviour or agreement to ensure that they are guided by the utmost transparency and fairness, as well as conforming to the applicable laws. For such purpose, to the extent possible, the Company will not be represented by one individual, on the assumption that the involvement of more persons permits to reduce to the minimum the risk of interpersonal relationships not in line with the intent of the Company. When this is not possible, the traceability of the relations shall however be ensured. The same measure shall be adopted when the staff of F.A.R. hold relations with public officers or persons in charge of a public service. Likewise, in relations related to inspections or held within authorisation procedures, the Company will encourage the involvement of more than one contact person within the Company, on the assumption that this permits to reduce the mentioned risk to the minimum.

Whenever the Company avails of a consulting firm to be represented or to receive technical-administrative assistance in relations with Public Administration, these organisations and their staff will be subject to the same guidelines as those applicable to the Company's employees. Moreover, in choosing such consulting firms, the main criteria will be professional expertise and fairness: particular attention will be paid in evaluating relations with anyone who has, or has recently had, corporate or employment relations with the Public Administration, even indirectly through an intermediary or due to close family ties.

All requests for funds, contributions or tax cuts from national or EU public institutions shall be filed in compliance with the applicable laws and respecting the principle of segregation of duties, registration and accountability; once they have been disbursed, they can only be used for the purposes for which they were originally intended.

During business negotiations or commercial relations with the Public Administration, it will not be permitted to engage, either directly or indirectly, in behaviours that may unduly affect the decision of the other party. In particular, it will not be allowed to examine job and/or business offers or opportunities that may personally advantage employees of the Public Administration, nor to solicit or obtain confidential information that may damage the integrity or reputation of either party.

14. IMPLEMENTATION AND DISSEMINATION OF THE CODE OF ETHICS

14.1. SUPERVISION AND UPDATING OF THE CODE OF ETHICS

In compliance with the laws in force and with a view to orienting the planning and management of the business activities towards efficiency, fairness, transparency and quality, the Company will adopt and implement a 231 Model indicating suitable measures to ensure that the activities be performed in compliance with the guidelines under this Code of Ethics.

The task of supervising the operation of and compliance with the 231 Model, of which this Code of Ethics is an integral part, is entrusted to the Supervisory Body, which is given autonomous powers of initiative and control, and which is granted the necessary autonomy to act without any subordination constraints that may prevent or limit its activity in any way.

The Supervisory Body will act in an impartial, continuous, professional and independent manner. In particular, with respect to this Code of Ethics, the Body has the following duties:

1. overseeing, through regular verifications, the compliance with the Code of Ethics by the individuals entrusted within the Company with duties of representation, management or direction and by those who are subject to the direction and supervision of these latter. For such purpose, the Supervisory Body will have access to all information relevant to the activity of the Company and will be entitled to examine all documents it deems relevant for the performance of its duties;

2. considering whether it is advisable to update the Code of Ethics in line with the development of the Company’s activities, with organisational changes in the same or in light of any breaches found;
3. verifying any reported breach of the Code of Ethics and informing the Corporate Bodies of the results of the verifications performed in order to implement the necessary remedial measures;
4. overseeing the application of the disciplinary measures applied in case of breach of the Code of Ethics.

14.2. REPORTS OF BREACHES OF THE CODE OF ETHICS (WHISTLEBLOWING)

Any breaches of this Code of Ethics may be reported by any Recipient in a strictly confidential manner to the Supervisory Body (“SB”) established in accordance with Legislative Decree 231/01 and subsequent amendments and additions, by sending a notice to that effect

Reporting Methods	
via e-mail to the email address	by ordinary mail to the address
odv@farspa.it	OdV FAR c/o FAR S.p.a. Via Leonardo da Vinci n. 11 33010 Reana del Roiale (UD) - Italy

Reports must provide details on a misconduct under D.Lgs. 231/01, based on precise and consistent facts, or regard breaches of the Code of Ethics and/or of the 231 Model of the Company, of which the Recipients have been informed in carrying out their tasks.

The procedures for reporting and verifying the breaches, also for the purposes of ascertainment, shall follow the principles of confidentiality and protection of privacy, in order to prevent retaliations of any nature whatsoever against the author of the report, but also to ensure that the facts be ascertained as they actually occurred.

Any discriminatory actions taken against persons who have reported in detail a misconduct under D.Lgs. 231/01, based on precise and consistent facts, or a breach of the Code of Ethics and/or of the 231 Model, of which they have been informed in carrying out their tasks may be reported to the *Ispettorato nazionale del Lavoro* [Italian National Labour Inspectorate], so that it may adopt the measures under its responsibility, by the reporting person as well as by the trade union indicated by the same.

14.3. PENALTIES FOR BREACHES OF THE CODE OF ETHICS

Any breach on the part of corporate bodies, Employees or Collaborators will amount to a damage to the relationship of trust that exists with the Company. This latter will therefore consider the actions to be taken in light of the provisions of the 231 Model.

Breaches of the principles and/or rules contained in this Code of Ethics constitute disciplinary offences on the part of Employees and Workers and/or breaches of the obligations under the employment contract, with all consequent effects under law and under the contract, also in accordance with arts. 2104 and 2105 of the [Italian] Civil Code. The Company undertakes to impose and apply, in a consistent, impartial and uniform manner, penalties that are proportioned to the respective breaches of the Code of Ethics and in line with the applicable laws governing employment relationships, as provided in the Corporate Disciplinary System under Annex II to the 231 Model.

In particular, in case of breaches of the Code of Ethics committed by Employees, the relevant measures will be adopted and the penalties applied in full compliance with Art. 7, Law no. 300 of 20 May 1970, with the applicable laws and with the provisions of the “collective bargaining agreements”.

14.4. DISSEMINATION OF THE CODE OF ETHICS

The Company shall adopt a plan for the dissemination of the Code of Ethics aimed at all Recipients in order to raise their awareness of all issues related to an ethically oriented management of the corporate business. Moreover, the Code of Ethics will be brought to the attention of the other stakeholders through proper notices

In addition, the Company shall ensure, by means of the adoption of a regular information/training plan related to the Code of Ethics, that all Recipients be updated on any amendments and/or additions that may be brought to it further to organisational

changes of the Company, actions following the monitoring activities of the Supervisory Body or changes in laws affecting the contents of the Code of Ethics.

Participation in the training programs organised by the Company is mandatory for all those to whom they are addressed.

15. FINAL PROVISIONS

15.1. CONFLICT WITH THE CODE OF ETHICS

If even just one of the provisions of this Code of Ethics is in conflict with the provisions of internal regulations or procedures, the Code of Ethics will prevail over any such provision.

15.2. AMENDMENTS TO THE CODE OF ETHICS

Any amendment and/or addition to this Code of Ethics shall be made in accordance with the same procedures as adopted for its initial approval.

15.3. ENTRY INTO FORCE OF THE CODE OF ETHICS

This Code of Ethics shall take effect immediately upon its approval by the Board of Directors and until it is reviewed. All Recipients are required to take due note of the Code and to comply with it.