

Ethical code

To ensure high standards of business practice



Premise

The following Ethical code regulates the practice of both companies WAYS Srl SB and VERONALITY Srl SB (simply considered as Companies), regarding the business activity run by them. It also refers to the “assumed” crimes in the Leg. Decree 231/01 and following modifications and in relation to the development of the activities and to relations with third parties.

The Company, not only respects, during the development of its proper activity, laws and current norms, but also high ethical standards, in its daily work. These standards and their inspirational values are collected in the following Ethical code (also called Code).

The Code is a supplementary tool for norms or regulatory norms and guidelines. The company believes that business decisions and behaviors of its employees are based on ethical rules, even if they are not codified by specific norms.

The term “staff” refers to the group of people working within the Company, or for it: employees, managers, partners with different job titles (as for example ongoing or occasional collaborators, experts and others).

The term “stakeholders” refers to the group of people having a direct or widespread interest in the Company, that could be relevant to the code.

The Code conveys commitments and ethical responsibilities accepted by those who, with different rules, cooperate to the realization of the goals of the Company towards: capital holders, employees, coworkers, external advisors, suppliers, clients and others like stakeholders connected to the activity of the Company.

The Company itself, regarding the different relationships, demands to take inspiration from certain general ethical principles.

Particular attention is paid not only to the ruling class (managers first of all), but also to the people in charge (concerning the different hierarchies) and to the members or member of the Supervisory organism, that have the rule to supervise the operating mode and to pay attention to its updating: those subjects are asked to guarantee that the adopted principles are constantly adopted and to maintain a behavior that need to be be an example for employees and collaborators.

The Code can be examined by clients, suppliers and other third parties that interact with the Company: in particular, it can be known (by the use of information technology or through web site) by third parties that get assignments from the Company, or that have long lasting relationships, asking them to respect the principles and conduct criteria, regarding the

relationships with the Company itself. Also, with a declaration of responsibility from themselves.

Moreover, using the same modalities or using direct delivery, the code has been shown by all the staff, as quoted above, except for forms of publicity regarded by law (as written in art. 7 law 300/70). More actions regarding the spread and knowledge of the article can happen during formative moments or during specific reunions.

Principles of conduct regarding the organization

The listed principles are considered essential. So, the Company is committed to respect those principles in relation to everyone. On the other hand, it is asked that the same principles are respected by all the internal or external people of the Company.

Respect of laws and norms

The Company operates respecting the law and works to make sure that all the staff behave in the same way: people must respect the law, no matter the context and the activities. This commitment is also applied to consultants, suppliers, clients, and others having any kind of relation to the Company.

Behavior integrity

The Company is committed to supply quality services and compete within the market respecting the principles of equal and free competition and transparency, keeping correct behaviors with public, governative and administrative institutions relationship, and also with citizenship and their companies.

Rejection of any form of discrimination

Regarding the decisions that influence the relationships with its stakeholders (clients choice, relationships with capital holders, manager administration and work organization, selection and management of the suppliers, relationships with the community and with the institutions that represent it), the Company avoids any form of discrimination regarding age, sex, health, sexual orientation, nationality, ethnicity religious and political beliefs of its interlocutors. The same criterion is adopted during the choice of the staff and in relation to it. Some more objective criteria could be considered and will not be an obstacle for the rules of the present code.

Enhancement of human resources

The management of human resources is based on the respect of the personality and professionalism of everyone, in order to guarantee physical integrity and morality: the staff must keep a respectful conduct to the people with whom they get in touch, for the Company, treating everyone equally and with dignity. The Company does not tolerate any form of forced labor or done by minors and doesn't tolerate violation of human rights.

Equity of the authority

During the administration of the contractual relations that implicate the creation of hierarchical bonds, the Company is committed to make sure that the authority is exercised correctly and with equity, trying to avoid any form of abuse. Those values must be in any case safeguarded also in the choices of the work organization.

Legal protection of health, safety and environment

The Company intends to conduct its activity in a socially responsible manner and sustainable from the point of view of the environment, with the implementation of a system of environmental management that covers the production of waste, the energy consumption, use of water and CO2 emissions. It also pays attention to the correct and true spread of information regarding its proper activity.

Unethical behaviors

Behaviors of those who, individuals or groups, try to take control of others' collaboration, exploiting positions of strength, are considered unethical and favor hostile attitudes for the Company.

Accuracy in the contractual area

Contracts and work assignments must be executed in relation to what has been deliberately decided by the parties: the Company is committed to not exploit conditions of ignorance or incapability of its proper other counterparts.

Legal protection of the competition

The Company intends to protect the value of loyal competition, not being part of collusive behaviors, predators or position abuse. So, all the subjects who, with different rules cooperate with the Company, must not take part in deals contrasting the rules that regulate free competition between companies, in relation to what has been decided in agreements, norms or others based on objective criteria.

Enhancement of the company investment

The Company operates in the view that results, also economically/financially are those to value in the best way the investment of the capital holder. Also, in the particular situation described in the premise and taking care of the specific activity done by the context. The purpose of the Company is to develop and grow, respecting the socio-economic context in which it operates, with the aim of supporting and giving value to local resources in the prospect of respect and preservation for the future generations.

Enhancement of local communities

The Company is committed to the enhancement of local communities in which it operates, having the obligation to make at least 50% of its proper purchases from local suppliers and guaranteeing 75% of its proper services to local consumers. Also, sustain the same communities giving priority of assumption to people belonging to it.

Transparency and correctness of the information

In the creation of other contracts or rules that regulate behaviors with third parties, the Company pays attention to specify clauses in a clear and comprehensible way.

Protection of personal data

The Company collects and treats personal data clients, collaborators, workers and other subjects, physical and legal subjects. These data consist of every information needed to identify, directly or indirectly, a person and can include sensitive information such as those that reveal ethnic or racial origin, and/or health condition. The Company is committed to treat these data in the limit and regarding what decided in the actual norm related to the privacy, referring to the Leg. Law 196/2003 (“Privacy code”) and attachments as well as prescriptions of the guarantor for the protection of personal data and to the regulations decided by the European Parliaments U.E. Council 27 April 2016 n. 2016/679. The staff of the Company who has, in the area of work, to treat data, sensitive or not, must always proceed in the respect of the norm and instructions given. The Company promotes the knowledge of the matter, regarding its proper staff.

Information processing

Information related to counterparts are treated by the Organization with respect to the privacy of those interested. In particular:

- it is defined an organization for the treatment of information that ensure the correct separation of rules and responsibilities
- information are classified by levels of growing criticism and adopts appropriate countermeasures in every phase of the handling
- third parties that give personal information, if necessary, can subscribe privacy pacts

Principles of behaviors followed by the staff

The staff (meaning managers, employees, collaborators with different titles) must observe the following principles regarding the Company.

Professionalism

Every person operates in a diligent, efficient and correct way, using instruments and time at the best, while assuming responsibilities related to fulfillment.

Loyalty

People must be loyal to the Company.

Fairness

Regarding their working activity, people must know and respect, in a diligent way, the organizational form and the current laws. Every unfair or unrespectful conduct of the norms will not be justified.

Correctness

People do not use, for their own purposes, - rather than in the authorized limits - information, goods and equipment they can use during their work. Every person does not accept or make recommendations or reports that can create prejudices for the Company or disadvantages, undeserved profits. Every person refuses and does not undeservedly promise money or other benefits.

Discretion

People ensure maximum discretion, regarding news and information that characterize the business heritage or inherent activities of the Company, in respecting the laws, norms and internal procedures. Also, people within the corporation must not use private information for purposes that are not related to their work.

Resolution of conflicts of interest

People inform their superiors or referents in time about situations or activities in which there can be a conflict. Also, from people or their family, in cases where there are relevant reasons of convenience. People respect decisions assumed by the Company.

Conduct criteria

Relations with employees and collaborators

Staff selection

Regarding the choice of people to hire, it will be taken in consideration to the profits of the candidates, in relation to what is expected and meaningful for the Company, guaranteeing the same opportunities for all the interested subjects. Norms will be respected, in particular art. 4 and 8 law 300/70. The requested information is related to the verification of the aspects of the professional and psychometric profile, respecting the private sphere and the opinions of the candidate. The Company adopts, during the selection, relevant measures to avoid favoritism and special terms.

Constitution of working relation

The staff is hired with regular working or legally acceptable contracts; any form of irregular work is not tolerated. During the creation of their working relations, the person receives detailed information regarding:

- characteristics of the work and how to operate
- normative information
- norms and procedures to adopt, in order to avoid possible risks for the health due to the working activity

Staff handling

The Company is committed to protect people's moral integrity and dignity, guaranteeing the right of respectable working conditions. Everyone must be treated with the same respect and dignity and every person has the right to the same possibilities of professional and working development. The Company not only avoids any form of discrimination regarding its proper team, but also during the choice of the staff. Made decisions are based on a match between profiles expected and possessed by people (as for example in case of promotion) and/or considerations (as for example giving incentives based on goals). The access to roles happens on the base of knowledge and abilities; also, regarding the general efficiency of the work. Forms of flexibility in the organization of work are guaranteed, in order to help people in maternity or those in need to take care of children. The evaluation of people is done in a large manner, letting managers to take part, the working staff and subjects in relation to the examined person.

Person's integrity and legal protection

The Company protects workers from acts of violence, also psychological, and refuses any discriminatory act or behaviour. The achievement of individual purposes must be equally evaluated, creating clear criteria that have to be announced, to be used to evaluate the possibility of people and their contribution. The results have to be equally recognized. In particular, abuses and violence in the working place and is committed to adopt right measures regarding people that proposed them.

Abuses and violence are considered in relation to what is decided:

- Abuses happen when one or more people are subjected to deliberately and repeated abuses, threats and/or humiliation in the place of work.
- Violence happens when one or more people are attacked in the place of work.

Abuses and violence can be exercised by one or more superiors, or by one or more workers, women or men, with the purpose to violate another person's dignity, to harm or create a hostile place of work.

It also recognizes the principle that people's dignity cannot be violated by acts or behaviors regarding abuses and violence and that must be denounced. Everyone, in the Company, has the duty to collaborate to the maintenance of a place in which people's dignity is respected and relationships among people are favored, based on equal principles and correctness, as it can be noticed in the European agreement of 26 April 2007 and the declaration of 25 January 2016. Every person, in their proper relations and activities, must respect these principles and collaborate with the Company for its security. Discrimination acts must be immediately reported to managers and representatives, without fear of recrimination. The person who is supposed to be a subject of abuse or discrimination for reasons of health, nationality, political opinions, religious beliefs or similar, can denounce to managers and also to the Supervisory Body. Inequalities are not considered forms of discrimination if justified or justifiable, based on objective criteria. It will not be considered discrimination the different retribution or level related to similar mansions.

Valorization and job training

Managers use and fully give value to all the working positions in the place, trying to favor the development and growth of the people through expert staff support, experiences to cover major responsible mansions, and learning courses. The formation is given to groups or individuals, based on specific necessities of professional development; also, the distance formation (through Internet), if active, not directly assigned, every person can benefit from it, based on interests outside working time.

Handling of people's working time

Every manager has to evaluate the people's working time, asking for inherent mansions to the exercise of their mansions and with their working organizational plans. It is considered abuse of authority, as an act due to the hierarchical superiority, mansions, personal favors or any behavior that could be a violation of the present ethical code.

People's involvement

The Company, as far as possible, tends to involve the staff in the working activity, trying to prevent moments of discussions for functional decisions to the creation of business purposes.

Interventions on working organization

Regarding the organization of the work, it is safeguarded the value to human resources trying to prevent, where necessary, actions of information and/or professional qualification. The Company attends to:

- responsibilities of the organization of the work have to be distributed in the most equal manner possible among all the people, coherently to the efficiency and effective exercise of their activity.

- In case of new or unexpected events that must be announced, the person can be assigned to different mansions, respecting the other previously done, trying to safeguard professional competences, if possible.

Health and safety

The Company is committed to offer an environment in which it is possible to protect the health and security of its staff. It is also committed to diffuse a security culture developing the consciousness of risks and promoting behaviors responsible by all the people. Moreover, the Company operates in the preservation, mostly with actions securing health and safety of staff, collaborators and third parties. All the people must respect norms and internal procedures, regarding the prevention of risks and legal protection of health and security and to report malfunctions of the norms. In particular, the Company gives the following criteria in relation to behaviors to keep regarding sanitary and safety conditions:

- a) avoid risks;
- b) evaluate risks that cannot be avoided;
- c) eliminate risks from the source;
- d) give the work in relation to the person, in particular for what is regarded by the idea of workplaces and choice of structures and materials, and also methods to work and production. In particular to make the repeated work better and repetitive job and to reduce effects of these jobs on health;
- e) keep controlled the grade of the technique evolution;
- f) change what is dangerous with what is not or less;
- g) program the prevention, aiming at making together technique, organization of work, work conditions, social relations and influence of the factors of the environment;
- h) give priority to measures for individual protection;
- i) give appropriate instructions to workers.

Those principles are used by the Company to adopt necessary measures for the protection of security and health of people, including activities to prevent professional risks, information and formation and the preparation of the necessary means. Particular attention is given to the formation and information related to risks and measures related to hygiene and security.

Legal protection of privacy

In relation to the team's personal data, the Company attends to dispositions of the Legislative decree 196/2003 and european norm 2016/679, if applicable. People get information on legal protection of personal data: treatment, subjects to whom the data are communicated, information regarding the right exercise in the article 13 Legislative decree 196/2003. In case the law requires it, people are asked for consent to the treatment of their personal data. Every survey on ideas, preferences, personal appreciation and, in general, the private life of employees and collaborators is excluded. Control or business instruments, in respect to the norm, can be adopted.

Staff obligations

General principles

People must act legally, to ensure mansions, in order to respect the obligations presented in the work contract and in the ethical code, assuring the required services.

Information handling

People must know and act on what has been decided in business politics, in relation to security information, to ensure integrity, reservation and availability. They must elaborate documents using a clear, objective and complete language, letting colleagues, managers or external subjects to make modifications when necessary.

Privacy of business information

Business information and know-how must be legally protected with confidentiality. People who are not authorized to answer questions or give personal information will talk to referents and inform them of instructions. If it is necessary to treat relevant topics, private or economics, it will be a duty to adopt necessary measures in order to safeguard the privacy, in relation to what elements have to be treated. During or after the end of the relation of work with the Company, people can use reserved data for the interest of the Company only.

Information related to third parties

The staff will not take part in the use of illicit means to acquire private information regarding companies and third parties. Those who, in a contractual relation, will know private information on other subjects will have the duty to use them exclusively in the relation itself.

Conflict of interests

Every person being part of the Company must avoid situations in which conflicts of interests can happen and avoid taking personal advantage of the opportunities obtained during their work. In case a conflict of interest happens, the person has the duty to communicate it to the manager or to the Supervisory Committee.

Illicit rewards, free gifts, representative purchase

The staff of the Company must not accept or receive any gift, gratification or other present that can influence actions during their working mansions. The same criterion works for third parties. Cheap gifts (such as Christmas presents) are allowed. People within the Company who receive different benefits or presents must talk about it to the referents, also regarding the communication to third parties on company politics.

Use of business goods

Every person must operate in a diligent manner in order to protect business goods, using responsible behaviors and related to the procedures, documenting their mansion. In particular, every person must:

- use goods that receive in a good manner
- avoid wrong use of business goods that can harm or reduce efficiency, or in contrast with the interest of the Company.
- keep in a good manner given resources and inform units of eventual threats or dangerous events for the Company.
- follow the instructions regarding the Company.

Regarding the informatics applications, every person is asked to:

- adopt what is decided by the business politics of safety, in order not to compromise the functioning and protection of informatics systems.
- avoid to send threatening or libelous web messages or use a low level of language, or say inappropriate comments that can be offensive to people or to the Company
- avoid the use of internet to search for unethical or wrong contents or not related to the professional activities
- use business instruments in relation to the indications provided by the Company

The Company has the right to protect people from distorted uses, with control systems of and analyses of risks, in relation to what is ensured in the actual laws.

Participation to antisocial and criminal activities

The Company refuses antisocial and criminal processes and activities and declares to not take part in any of these. The staff of the Company must not have relations to this kind of things that could threaten the company or people's life. In relation to distorted questions, by antisocial or criminal subjects, people will refuse every compromise, outlay of money or performances. In the same way the Company refuses any kind of activity regarding pornography or pedopornography. In case cited above situations will happen, the staff will have the duty to inform referents or managers.

Relationship with the clients

Neutrality

The Company is committed to not discriminate against the clients. The evaluation related to previously identified criteria is not considered a form of discrimination. In particular, related to the association of the co-industry system or similar, that will be a manner of choosing or verifying offers.

Contracts and communications to clients

Contracts and communications to the clients of the Company must be:

- related to existing norms, in order not to create elusive or incorrect behavior
- complete, in order to not miss any important element for the client's decision

Behavior of staff in relation to the clients

Behavior of people working within the Company, regarding the clients, must be grounded on the concepts of availability, courtesy, in the view of a collaborative relation and professionalism to all levels.

Legal protection of personal data

The Company supports the respect of privacy related to personal data of all the clients regarding the existing norms. In the same manner, it is committed to the communication of all the clients, using, if necessary, their proper data.

Relations with the suppliers

Choice of the suppliers

Buying processes are important to the valorisation of the local community, united to the research for the best advantage for the Company. Also, to the concession of the same opportunities for the suppliers, to loyalty and impartiality. The selection of the suppliers and determination of buying conditions are based on an objective evaluation of quality and price of goods and services, also assistance and timeliness, taking in consideration eventual criteria of privileged evaluation previously identified. The Company demands suppliers of:

- documented availability of means, also financial, organizational structures, capability and projectual resources, know-how, etc.
- existence and effective actuation, in cases of the specificities of the Company, of business quality systems
- eventual certifications provided by regulatory norms
- other eventual certifications or demonstrations necessary to the management of the relation

Integrity and independence of relations

Relations with suppliers, also those related to financial and consultant contracts, are objects of constant control by the Company. Exchanged documents among the suppliers must be archived: in particular, accounting and/or fiscal, must be preserved for periods decided by the existing norm.

Legal protection of ethical aspects regarding the supplies

In the perspective of conforming the activity of supplying adopted by ethical principles, the Company can introduce, for particular supplies, and if considered as necessary, social requirements. So, in the contracts with the suppliers, can be introduced contractual clauses that regard:

- an autocertification created by the supplier, regarding the agreement to specific social obligations: for example, the use of measures that guarantee workers the respect of fundamental rights, principles of equal treatment and non discrimination. Also, the legal protection of any form of work done by minors.
- the possibility for the Company to create actions of control, from the productive units or working places, in order to verify fulfillment requirements.

Dominant position

The Company is committed not to abuse, except for normal business relations, of eventual dominant position.

Legal protection of personal data

Also regarding the suppliers, the Company is committed to legally protect personal data, using them in the limits of the current norms.

Business relations in general

The choice of the partner

The choice of the business partners happens in relation to economics and organizational criteria, with no discrimination due to sex, race, political, statutory and religious opinions.

Contracts

The Company is committed to, during the first and contractual phase, to keep correct relations and correct information respecting the current norms. It is allowed to ask for information and warranties. In the same manner, the Company equally asks partners to show information related to its proper personal and financial situation. The Company is committed to give information and details regarding contractual clauses.

Behavior of the parties

Parties, during the development of the relation, must behave correctly, trying to avoid prejudice and communicating eventual circumstances that can threaten the relation.

Legal protection of privacy

Parties have to preserve the privacy of the information they obtain during the relation. Data treatment must be in respect of the existing norms.

General business relations

The Company will preserve adopted principles during business and partnership relations, and also during international relations. The Ethical code has to be observed anytime, even if

particular behaviors are not asked by laws or local norms. It is important to know and respect the laws and local norms.

Relations with capital holders of the Company

Countable transparency

In order to ensure transparency and completeness of countable information, documents have to be clear, complete and correct and archived for eventual verifications. The registration must reflect what is written and specify adopted criteria in the creation of economic elements based on evaluations.

Assembly of capital holders of the Company

The Assembly is a privileged moment to create a dialogue among capital holders and social organs for the Company (Administrative Council). Social organs must use and spread supporting material, necessary for the Assembly to assume decisions in an informative way. The regular participation of the social organs to work is ensured.

Legal protection of social heritage

Available resources must be used, in respect of the existing norms, of the constitution and code, to grow and reinforce the social heritage, protecting the Company, the capital holders, lenders and market. Protection of the integrity of capital is not allowed, except when the law allows it to give back, in any form, provisions or releases members from the obligations to fulfill them, dividing profits not really gained or addressed by law to rule of law.

Relations with the Public Administration

Correctness and loyalty

The Company intends to conduct relations with Public Administration with maximum clearness and morality: these relations, that have to happen in respect of the existing norms, are regarded as general principles of correctness and loyalty, in order not to threaten the integrity of both parties. Staff has to avoid any behavior that can harm the Public Administration. Particular attention has to be paid to operations of procedures of competition, contracts, authorisations, concessions, licenses, financing public requests (state or community). If the Company needs professional performances by employees of the Public Administration, as consultants, the existing norms have to be respected.

Presents, free gifts and benefits

Nobody can give money, offer economic or other kinds of benefits to subjects of the Public Administration, with the purpose to obtain personal advantages. Any form of present that can

be interpreted as not normal is not allowed, or related to acquire treatments of favor in the conduction of any activity related to the Company: in particular, is not allowed any form of present to public functioners, or to their families, that can influence judgements with the purpose to obtain advantages. The same works for third parties. The Company avoids hiring ex employees of the Public Administration, or families, that personally or actively participated in a treaty of affair, or that contributed to requests made by the Public Administration, for a period of time of two years, from the conclusion of the affair or the request by the Society. Offered presents must be documented in order to make verifications and autorisations of the manager. A copy of the document (for example the passport) must be preserved.

If a person of the Company receives, a part of a component of the Public Administration, explicit or implicit requests for the benefits, except in case of business or cheap free gifts, has to inform the manager or the subject in charge.

Initiatives regarding the Public Administration

The Company can sustain programs of public authority to produce profits and benefits for the community, or the activities of associations, always respecting existing norms and principles of the code.

Relations with the community

Economic relations with third parties, syndicalist organizations and associations

The Company does not pay parties in or outside Italy, their representatives or candidates not even sponsor congresses or events with the only aim of political propaganda. The Company avoids any pressure, direct or indirect, by political people: for example, it does not accept reports for assumptions nor make contracts with the same purposes. The Company does not contribute to organizations that can cause a conflict of interests (for example trade unions). Cooperation, also financial, is allowed, in respect of the following conditions:

- clear and documented destination of the resources
- expressed authorisation by the functions regarding the Company

Contributes and sponsorships

The Company can only adhere to contribution requests limited to non profits companies or associations having regular statute and constitutive acts, that present a high cultural value or that involve a high level of citizens. Sponsorship activities with social, environment, sports and arts themes are destined to events offering quality warranties. The Company can collaborate on the project, in order to ensure efficiency and originality. The Company pays particular attention, in the choice of propositions, to any personal or business conflict of interests: for example, family relations to interested subjects that can favour, for tasks performed, the activity of the Company.

Diffusion of information

External communication

Communication of the Company to subjects having interests, as quoted above, is oriented to the respect of the right of information; in any case it is not allowed to share news or false comments. Every communicative activity follows the law rules, professional conduct practises and it is created in a clear, transparent and fast manner. Not only is any form of oppression forbidden but also taking advantage of the mass-media is forbidden. In order to ensure complete and inherent information, relations with social media are reserved to declared functions.

Control on private information

Particular attention is reserved to communication of external documents, data or information regarding business facts that, if public, can influence the activity of the Company. In this case, communication must be previously authorized by administrators or subjects. In no way, behaviors can cause debits or personal or to third parties unfair advantage.

Mechanism of application of the Ethical code

Diffusion and communication

The Company is committed to diffuse the ethical code, using all the means of available communication and the opportunities such as, for example, the business website, specific and related to technology communication, reunions and learning process of the staff. All interested people must be able to access the ethical code, learn the contents and observe what is written. In order to ensure the correct comprehension of the code, a series of information and/or a plan of formation is available if necessary.

Control regarding the ethical code

The task to control the actuation and application of the ethical code regards:

- Managers and/or managing functions of the Company
- Administrative Council
- Surveillance body: control the respect of the code, having access to the resources of the Company, suggest the best updates for the code, according to staff or third parties warnings.

The Surveillance body has the duty to:

- communicate to Administrators or Administrative body, regarding the assumption of warnings and violations of the ethical code
- express opinions related to politics and procedures, in order to ensure the inherence of the ethical code
- contribute to the periodic control of the ethical code

Reporting problems and violations

If a person knows or discovers, or strongly believes in the existence of a violation of the existing code, law or business procedures, has the duty to inform the manager and/or the Surveillance Body immediately. The report has to be written not anonymously. The Company will conduct in the necessary manner, in order to protect the whistleblowers. The identity of the informer is ensured, without the prejudice to the law obligation.

Responsibility for investigations regarding possible violations of the Ethical code has to be done by the administrative body. The whistleblower and the reported person can be heard and the staff has the duty to cooperate. Behaviors related to penalty or contractual mechanism will be reported.

Working procedures and decisional protocols

In order to prevent violations of the existing norms and the Ethical code, the Company has declared the assumption of specific procedures (“Processes”), by those taking part in the operative process, with the aim to identify responsible subjects of the decisional processes, authorisation and development of the operation. It is necessary that single operations will be made by different subjects, following specific phases, whose competences are declared and defined in the organization in order to avoid limitless personal powers. All the actions and operations of the Company must be registered. A verification, authorisation and development is necessary, with the purpose of controlling the characteristics and motivations of the operation and identifying the person who authorized, registered and verificated the procedure.

Disciplinary actions following the violations

Dispositions of the existing Code are part of the contractual obligations assumed by the staff and also by subjects having business relations with the Company. The violation of principles and behaviors indicated in the ethical code can threaten the relation between the Company and the people who committed the violation: administrators, employees, advisors, collaborators, clients or suppliers and can cause fines.

Workers (managers, employees and workers)

Adopted measures, related to the gravity of the violations, kind of the violated rule, means of facts, eventual previous facts and other circumstances, are given a ticket by the CCNL Textile Company, applicable to the working relation and can be:

1. verbal negative judgment
2. written negative judgment in cases of the recurrent violations written in the previous point
3. given ticket that does not exceed 4 hours of the normal payment
4. salary and job interruption for a maximum of 10 days
5. disciplinary firing without any notification

Managers

In case of a violation, by the managers of the Company regarding the rules of the Ethical code adequate measures will be adopted in relation to the gravity of the violations, the type of rule violated, modality of facts, previous events and other circumstances in compliance with the national collective Contract of the managers of the Company (in particular, termination of employment contract, with conservative fines considered).

Administrators and statutory auditors

In case of violation of the Ethical code by the administrators and/or statutory auditors of the Company, the OdV will inform the entire Administrative Council that will provide solutions in relation to the type of the violation, the precedent, the context in which it was committed the violation, the involved people and any other circumstance. In less dangerous cases, the OdV can give the transgressor a warning or injunction. If the OdV believes that the violation could involve the revocation of the mandate, the Assembly of the partners will be convened to take a decision.

Collaborators and external advisors

Subjects having collaborative or consultancy relations with the Company, who behave against the dispositions in the code, can be sanctioned with the end of the relation, based on specific clauses written in the contracts. In less dangerous cases, regarding the type of the violation, previous events and the context, the OdV, the Administrative Council, the Manager

or Administrator can communicate to the transgressor. Specific functions of the Company cure, in collaboration to the OdV, the creation, update and insert of the job letters or decisions of the collaboration, in relation to specific clauses that derive from the Company. Also, the application of the judge following measures declared in the Decree.

Partners, clients and suppliers

Subjects having business relations with the Company, who behave against the dispositions of the Ethical code, can be sanctioned depending on the violation, the previous events, context, people involved and other circumstances, with recall, warning, injunctions or with the interruption of job contract as written in the clauses of the contract. The specific functions of the Company cure, in collaboration with the OdV, creation, update and inclusion of the specific clauses.

Surveillance Body

In case behavior in contrast with the dispositions of the Ethical code of the Company by the Surveillance body or one of its member member, in the exercise of the activity, the Administrative Council or Administrator can, depending on the violation, the previous events, context, people involved and other circumstances, with recall, warning, injunctions and in severe cases, in which the image of the Company is very much compromised, to promote initiatives necessary for the revocation or termination of the assignment

General norms

As already declared, the hypothesis of violation must be considered as an example, without excluding the possibility to apply sanctions in relation to the gravity of the violation. Sanctioning systems will be shown to interested subjects regarding the law dispositions of the clients (ex art. 7 law 300/70) and, for everyone, with adequate means of communication. In the application of the sanctions, specific rules will be followed:

- in relation to the employees, including the managers, the procedure of the art. 7 law 300/70 will be respected
- in relation to any other subject the violation should be contested and ensured the right to show justifications before the adoption of the disciplinary action.

In particular cases will also adopt the suspension of the relations or functions, while waiting for the decisions or verifications made by the Judicial Authority or other Authorities. These decisions will not be a condition of applicability of the present sanctions. The application of the measures will take in consideration the principle of proportionality, the objective gravity of fact or facts, position of the subject, eventual existence of previous events, social and/or internal relevance of the behavior and other important circumstances.

In case of conviction, also of first instance sentence, for the crime established in the Decree, the condemned subject must immediately communicate to the OdV that will inform the Chief Executive or the entire Administrative Council, as mentioned above.

Working procedures and decisional protocols

In order to prevent violations of the existing norms and the Ethical code, the Company has adopted the assumption of specific procedures (“Processes”), by those taking part in the operative process, with the aim to identify responsible subjects of the decisional processes, authorisation and development of the operation. It is necessary that single operations are made by different subjects, following specific phases, whose competences are declared and defined in the organization. The purpose is to avoid subjects of unlimited powers. All the actions and operations of the Company must be registered. A verification, authorisation and development is necessary, with the purpose of controlling the characteristics and motivations of the operation and identifying the person who authorized, registered and verified.

Final dispositions

The present Ethical code has to be approved by the Administrative Council of the Company and equally updated. Any change and/or integration of the existing Code will be approved by the Administrative Council, after the consultancy of the Surveillance body and shared with the interested subjects.