

# ORGANISATIONAL, MANAGEMENT AND CONTROL MODEL

(implementing Leg. Decree no. 231/2001, as amended)

## Code of Conduct



**FABER INDUSTRIE S.P.A.**

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# 1 INTRODUCTION

## 1.1 FRAMEWORK OF THE INTERNAL REGULATIONS OF REFERENCE

**FABER INDUSTRIE S.P.A.** (hereinafter "the Company" or "FABER INDUSTRIE") has prepared:

- An Organisational, Management and Control Model pursuant Leg. Decree no. 231/01 (hereinafter "Model") that responds to specific requirements contained in the Decree (hereinafter the "Decree"), aimed at preventing particular types of crime, and is intended to allow the Company to take advantage of the exemption laid down in articles 6 and 7 of the Decree.
- This Code of conduct (hereinafter "Code"), which identifies specific behaviour punishable when considered to be able to weaken, even potentially, the "Model".

A preventive function is given to the Code: the codification of the rules of conduct that all recipients must comply with constitutes the very expression of the Company's serious and effective commitment to guarantee the legality of its activities, with particular reference to the prevention of offences.

## 1.2 RECIPIENTS

The Code shall apply, without exception, to the following Parties (hereinafter "**Recipients**"):

- *Internal Subjects* (hereinafter the "*Staff*"): who hold an ongoing temporary or permanent position within the Company; by way of example, corporate officers, employees, collaborators (including semi-subordinated workers), interns and trainees.
- *Third Parties*: external professionals, partners, suppliers and consultants, temporary work agencies and, in general, those subjects which, having a relationship with the Company in carrying out activities on behalf of FABER INDUSTRIE or in any case, in carrying out their activities for the Company, are exposed to the risk of committing the offences set out in Leg. Decree no. 231/2001 in the interest or to the benefit of the Company.

With respect to third parties, the Company's personnel, according to the assigned responsibilities, shall:

- Provide adequate information about the commitments and obligations imposed by the Code.
- Require compliance with the obligations that directly relate to their activities.
- Implement appropriate internal initiatives and, if under its competence, external initiatives in the case of non-fulfilment by third parties of the obligation to comply with the rules of the Code.

In any case, in the event that the Vendor, the outside Professional or Trading Partner, in carrying out its activities on behalf of the Company (or anyway in carrying out its activities for the Company), violate the Code, the Company is entitled to take whatever measures

are required by the current law, including the termination of the contract. To this end, the Company will adopt, in its contracts with these subjects, a specific termination clause pursuant to art. 1456 of the Italian Civil Code (so-called Severability Clause).

### **1.3 RESPONSIBILITIES OF FABER INDUSTRIE**

The Company undertakes to:

- Ensure the dissemination of the Code among Employees and Semi-subordinated Workers.
- Disclose (in the manner prescribed by the appropriate information plan) the Code to third parties who have relationships with the Company.
- Ensure constant updating of the Code, in relation to changing business needs and existing legislation.
- Provide all possible tools for understanding and clarification regarding the interpretation and implementation of the rules contained in the Code.
- Carry out verifications regarding any notice of violation of the rules of the Code, considering the facts and adopting – in case of ascertained breach – appropriate sanctions.

### **1.4 CONTRACTUAL VALUE OF THE CODE**

The provisions of the Code are an integral part of the contractual obligations of personnel in accordance with article 2104 (Diligence of hired personnel) and article 2105 (Duty of loyalty) of the Italian Civil Code<sup>1</sup>.

Any behaviour contrary to the provisions of the Code shall be assessed by the Company regarding possible disciplinary actions, in accordance with current regulations, with sanctions proportionate to the severity of the facts.

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<sup>1</sup> Art. 2104 of the Italian Civil Code "Hired personnel must use the diligence required by the nature of the performance, by the Company's interest and by the superior interest of the national production. They must furthermore observe the provisions for the execution and for the discipline of the work issued by the contractor and by its collaborators by whom they hierarchically depend"

Art. 2105 of the Italian Civil Code "Hired personnel must not carry out business, on behalf of third parties, in competition with the contractor, nor disclose information pertaining to the organisation and methods of production of the company, or make any use of the same in a way that can be detrimental to the company".

## 2 RULES OF CONDUCT pursuant to Leg. Decree 231/2001

### 2.1 GENERAL PRINCIPLES

Each Employee/semi-subordinated Worker is required to know the rules contained in the Code, and both the internal and external regulations, that govern the activity carried out within the functions of their competence. In case of any doubts about how to conduct the activities, the Company will adequately inform its personnel.

Personnel is also obliged to:

- Observe diligently the regulations of the Code and the Model, abstaining from any behaviour contrary to the same.
- Consult their own managers if in need of clarification on the interpretation and implementation of the rules contained in the Code and the Model.
- Report any violation or suspected violation to their direct superior or to the Supervisory Board.
- Offer full cooperation to identify possible violations.

Each head of an organisational function shall:

- Build with his/her work an example for his/her collaborators.
- Lead employees and semi-subordinated workers to comply with the Code and the Model.
- Ensure that employees and semi-subordinated workers understand that compliance with the Code and Model is an essential part of the quality of their work performance.
- Promptly inform the Supervisory Board regarding news directly acquired or provided by employees about possible cases of violation of the rules.
- Promptly implement appropriate corrective rules, when required by the situation.
- Prevent any kind of retaliation.

Each Employee/Worker must act fairly in order to comply with the obligations set out in the employment contract, guaranteeing the required performance level; Employees/Workers are forbidden from communicating, disclosing to third parties, using or exploiting, or letting third parties use, for any reason not inherent to the exercise of their duties, any information, data, news which they became aware of during or as a consequence of the employment relationship with the Company. To this end, each Employee/Semi-subordinated worker shall comply with the specific Company policies relating to information security, drawn up in order to guarantee the integrity, confidentiality and availability of the information.

In order to protect corporate assets, each Employee/Semi-subordinated worker is obliged to act diligently and with responsible behaviour.

In particular, each Employee/Semi-subordinated worker must:

- 1) Use carefully and sparingly the goods entrusted to him/her.

- 2) Avoid misuse of corporate assets, which could result in damage or reduce efficiency, or in any case be contrary to the interests of the Company.
- 3) Avoid misuse of corporate assets for aims and purposes unrelated to their duties and their work, especially if they prejudice the image and the dignity of Company.

Each Employee/Semi-subordinated worker is responsible for protecting the resources entrusted to him/her and has the duty to inform his/her Manager of any events that may be harmful for the Company.

The Management and those who perform coordination functions have the responsibility to supervise the work done by the personnel under their direction and control.

Adequate documentary support must be kept regarding all operations at risk, to be used to check at any time the characteristics of each transaction and its decision-making process, as well as any related authorisations and verifications.

In its business activities, the Company intends to avoid any contact with persons at risk of dealing with criminal organisations and strives to verify its business partners and vendors, verifying their commercial and professional trustworthiness.

## **2.2 RELATIONS WITH INSTITUTIONS, PUBLIC ADMINISTRATION AND PUBLIC ENTITIES**

Relations with Institutions, the Public Administration and Public Entities of any kind must be transparent and consistent with the Company's policy and need to be maintained by the formally delegated Company functions.

### **Corruption**

The Company considers acts of corruption both improper payments made directly by individuals and/or Italian entities or their employees, and those made by entities acting on behalf of the same in Italy or abroad.

In particular, it is expressly forbidden to:

- Make cash payments to public officials or persons in charge of public services.
- Offer money or gifts, unless they have a low value and in any case they must not compromise the integrity or reputation of either party and cannot be construed as being aimed at obtaining any improper advantage.
- Provide any other advantage of any nature (such as promises of direct recruitment of close relatives, give assignments to recommended people, etc.) to representatives of the public administration, which could lead to the same consequences mentioned in the preceding paragraph.
- For subjects of FABER INDUSTRIE (corporate bodies, employees, semi-subordinated workers), to accept or receive money, gifts, or gratuities from vendors or other third parties.

The behaviour described above is prohibited even if it derives from compulsion or induction by the public official or the person in charge of a public service; in such cases, the employee has a duty to report such circumstance fact to his/her direct superior, who must in turn report it to the Supervisory Board.

The selection of Suppliers and the appointment of professional roles must follow objective and transparent mechanisms, based on the principles of competence, efficiency, transparency and fairness. The phases concerning the establishment, management and termination of these relationships should be adequately documented.

All fees and/or sums paid to professionals for any reason should be adequately documented and proportionate to the activity carried out, also in view of market conditions.

It is forbidden to recognise any compensation in favour of outside professionals who do not find adequate justification in relation to the type of task to be performed and locally established practice.

The evaluation of personnel to be hired should be made based on the match between the profiles of the candidates in relation to the specific business needs while safeguarding equal opportunities for all those concerned.

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### **Grants, subsidies and public funding**

All statements made to public entities for obtaining grants, subsidies or funding, as well as any documentation used for reporting service, should contain only true information.

It is forbidden:

- To submit false or altered documents and/or data or omit any due information, in order to obtain contributions/grants/loans or other disbursements from the State or from public bodies or the European Community. This prohibition also applies in the event that contributions/grants/funding/disbursements are received by customers in connection with goods supplied by FABER INDUSTRIE.
- To allocate contributions/grants/public funding for purposes other than those for which they were obtained.
- To access in an unauthorised manner the information systems of the Public Administration to obtain and/or change information for the benefit of the Company.

Those who carry out a function of control and supervision on matters relating to the conduct of these activities (payment of invoices, destination of funding received from the State or public entities, etc.) should pay particular attention to the implementation of the same by the persons in charge.

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### **Computer fraud**

Sending computer or telematic communications to the Public Administration and receiving computer or telematic communications from the public administration, are reserved exclusively to identified personnel, in accordance with the authorisation system established by FABER INDUSTRIE. Such personnel shall be permitted to use the Company's computer and electronic systems based on the assigned access profiles.

Anyone operating in the name of FABER INDUSTRIES is forbidden from using for the processing of data and information, relevant for the purposes of relations with the Public Administration, and/or computer or telematic communications with the P.A. or receipt of documents, tools other than those assigned by FABER INDUSTRIE or made especially available, in a specific circumstance or from time to time, by the same P.A. (e.g. Entratel channel).

It is however prohibited to communicate documents electronically to the P.A. with means other than PEC (certified e-mail), or to send communications the P.A. via PEC box to which is attached an electronic document not bearing the signature of the subject responsible for the signature itself.

Anyone i) having relations with the Public Administration that involve computer or telematic communications on behalf of, or from the Public Administration towards, FABER industries, or ii) operating in any capacity on data, information or programs contained in a computer or telecommunication system (owned by or in the availability of FABER INDUSTRIE or of the P.A.), is forbidden from altering in any way the operation of a computer or telematic system or from act without authority, with any means, on data, information or programs contained in a computer or telematic system, or relevant to the same, in order to procure oneself or others an illegal profit to the detriment of other parties.

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### **Relationships with inspecting public entities and Judicial Authorities**

The Company ensures the full and scrupulous implementation of the obligations relating to inspecting authorities and collaborates actively during the course of inspection activities.

It is forbidden to directly or indirectly exercise undue pressure (in any form whatsoever exercised or attempted) to induce the Judicial Authority to favour the Company in any litigation.

In the event of inspection by a judicial authority (or appointed judicial police), full cooperation and transparency must be provided, without hesitation, omission or untruthful statements. Anyone instructing his/her subordinates not to provide the requested information or to provide untruthful information will be sanctioned.

In relations with the judiciary, recipients and, in particular, those who appear to be suspected or accused in criminal proceedings, also connected, relating to their work in FABER INDUSTRIE, are required to express their representations of facts or to exercise their right not to answer granted by the law.

The Company expressly forbids anyone from coercing or inducing, in any form or by any means, in the misconceived interest of FABER INDUSTRIE, the Recipients' will to respond to the Judicial Authority or to make use of the option of not answering.

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### **Protection of public faith**

The Company condemns any behaviour aimed at to testifying falsely to a public officer, in a public act (or equivalent, e.g. in declaration in lieu of affidavit, self-certification, etc.), facts of which the act is intended to prove the truth.



By mere way of example and without limitation, it is specifically prohibited to:

- Submit to a public officer misrepresentations and/or false communication required by law certifying to be in possession of the qualifications required by regulations.
- Issue false statements to customs agent in charge of the preparation of customs documents (for example to submit to the Customs Office documentation showing the status of "Approved Exporter" to a third Country which is not among those present in the authorisation held).
- In case of declaration in lieu of affidavit, to falsely attest to have no previous criminal convictions.
- Give a false statement regarding being eligible for participation in a tendering procedure (for example, be in good standing with the payment of contributions).
- Report falsely to the Police the loss of documents such as driver's license, insurance documents, bank cheques, credit cards, etc.

In addition, the Company condemns any behaviour that involves:

- The preparation, in whole or in part, of false public documents or the alteration of public documents.
- The forgery or alteration of certificates or administrative permissions or, through forgery or alteration, the simulation of the requirements for their validity.
- The simulation of a copy of the same documents and the issue of the same in legal form.
- The release of a copy of a public or private deed that is different from the original.

By mere way of example and without limitation, it is expressly forbidden to:

- Forge a document (driver's license, registration certificate, etc.) making it appear to be issued by a car registration agency.
- Create a false registration plate.
- Forge company incorporation documents through the tampering of the notarial seal.
- Forge bank receipts for delegated tax payments and receipts of postal payments (e.g. altering receipts attesting payment of vehicle taxes and customs bills).
- Materially forge tax payment forms.
- Forge notary authentications.
- Destroy documentation of protest payments following their drafting by the submitter.
- Alter the parking time on the receipt issued by the parking meter in areas of the municipality dedicated to passenger vehicles.

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In general, anyone who becomes aware of conduct which may involve the risk of committing a crime pursuant to Leg. Decree no. 231/2001, either directly or indirectly, must notify their direct superior and/or the Supervisory Board (even in case of attempted extortion by a public official with respect to an employee or other collaborators).

### **2.3 BEHAVIOUR RELATING PRIVATE CORRUPTION**

The so-called private corruption (as seen by art. 2635 of the Italian Civil Code) occurs when money or other benefits are given or promised to a person belonging to a private entity to make him or her omit or perform an act connected to his or her role within the entity in violation of duties of loyalty to that same entity.

It is expressly prohibited to:

- Offer, deliver or promise, also through an intermediary, to anyone, for that person or for others, unwarranted money to make the recipient perform or omit acts in violation of the obligations related to their office or their obligations of loyalty to the institution for which they operate.
- Give or promise other unwarranted benefits to anyone, including, as mere example and without limitation, entertainment, gifts, travel and other valuables with the aforementioned purposes.
- Solicit or receive, unwarranted money or accept the promise of the same, for oneself or for others, also through an intermediary, to perform or omit acts in violation of the obligations related to one's office or one's obligations of loyalty.
- Solicit or receive other unwarranted benefits or accept the promise of the same with the aforementioned purposes.

FABER INDUSTRIE considers acts of corruption both improper payments made directly by Italian individuals and/or entities or their employees, and those made by entities acting on behalf of the same in Italy or abroad.

In order to ensure better understanding of the above, we provide here the definition of obligation of loyalty, the violation of which constitutes a criminal offence pursuant to art. 2365 of the Italian Civil Code, denominated private corruption, regulated by art. 2105 of the Italian Civil Code: "Hired personnel must not carry out business, on their own behalf, on behalf of third parties, in competition with the company, nor disclose information pertaining to the organisation and methods of production of the company, or make any use of the same in a way that can be detrimental to the company".

The breach of obligations related to his/her office is also a constitutive element of the criminal offence of corruption. This includes all obligations of the corrupt subject provided for by the law or by any other legislation, regulation or ethical provision.

In general, anyone who becomes aware of any behaviour involving the risk of an offence pursuant to Leg. Decree no. 231/2001, either directly or indirectly, must notify his/her direct superior and/or the Supervisory Board (also in case of attempted bribery by the private entity with respect to an employee or other collaborators).

## **2.4 RELATIONSHIPS WITH POLITICAL ORGANISATIONS AND TRADE UNIONS**

The Company abstains from any direct or indirect pressure on political operators.

The Company does not make contributions to political parties or political organisations, either in Italy or abroad, nor to their representatives or candidates, and does not sponsor conventions or events whose sole purpose is political propaganda.

However, it is possible to cooperate with such organisations where all of the following conditions apply:

- Legality of the cooperation.
- Purpose consistent with the mission of the Company.
- Clear and documented destination of resources.
- Express authorisation, by the proper corporate functions, to the management of these relationships within the Company.

Any Company's relationship with such organisations or their representatives must be based on legality and the utmost transparency, integrity and impartiality in order to establish a correct dialogue.

In general, anyone who becomes aware of behaviour involving the risk of an offence pursuant to Leg. Decree no. 231/2001, either directly or indirectly, must notify his/her direct superior and/or the Supervisory Board (also in case of attempted bribery by the private entity with respect to an employee or other collaborators).

## **2.5 BEHAVIOUR ABOUT HEALTH AND SAFETY**

To prevent criminal offences relating to health and safety at work (art. 25-f of Leg. Decree no. 231/2001) it is mandatory to:

- Implement the legislation regulating health and safety in the workplace (Leg. Decree 81/08).
- Observe and implement the regulations defined by the Unified Safety Code in order to ensure the reliability and legality of the working environment and, consequently, personal safety and protection of the moral personality of the employees, through compliance with the organisational charts of the Company.
- Avoid conducts that, although not such as to constitute in themselves the types of offences considered here, potentially increase the risk of occurrence of crimes under Leg. Decree no. 231.

The decisions, of all kinds and at all levels, in the field of health and safety at work, are based, also in the light of article 15 of Decree no. 81/2008, on these principles and criteria:

- a) Eliminate the risks and, where that is not possible, minimise them in relation to the knowledge acquired based on technological developments.
- b) Assess any risks that cannot be eliminated.
- c) Minimise the risks at source.
- d) Comply with ergonomic and health principles in the workplace, in the work organisation, in the design of workplaces and in the choice of work equipment, in the definition of working and production methods, in particular in order to reduce negative effects on health of repetitive and monotonous work.
- e) Replace what is dangerous with what is not dangerous or less dangerous.
- f) Plan measures deemed appropriate to ensure the improvement of safety standards over time, including the adoption of codes of conduct and good practice.
- g) Give priority to collective protective measures over individual protective measures.
- h) Give appropriate instructions to the workers.

In general, anyone who becomes aware of behaviour involving the risk of an offence pursuant to Leg. Decree no. 231/2001, either directly or indirectly, must notify his/her direct superior and/or the Supervisory Board.

## **2.6 CRITERIA OF CONDUCT RELATING TO ENVIRONMENTAL MATTERS**

FABER INDUSTRIE commits to comply with environmental legislation and to implement preventive measures to avoid or at least minimise its environmental impact.

In particular, FABER INDUSTRIE aims at:

- a. Undertaking all appropriate measures to restrict and - where possible - eliminating the negative impact of the economic activity on the environment not only when the risk of harmful or dangerous events is established (principle of preventive action), but also when it is not certain whether and to what extent business activities expose the environment to risk (precautionary principle).
- b. Focusing on the adoption of measures to prevent any harm caused to the environment, rather than waiting to repair damage already done.
- c. Planning a careful and constant monitoring of scientific developments and changes in legislation relating to the environment.
- d. Promoting education and dissemination regarding the principles of the Code among all those involved in the Company, senior managers or subordinates, so that they adhere to the ethical principles established, in particular when decisions must be taken and, later, when the same are implemented.

In waste management activities, the Company requires compliance with the following rules of conduct:

- Prohibition of uncontrolled dispersion or storage of waste or its introduction into surface water or groundwater.
- Prohibition of keeping waste in "temporary storage" outside of the requirements and time limits set out by the law.
- Prohibition of mixing waste (in the absence of any relevant authorisation).
- Prohibition of providing false information concerning the nature, composition and physical and chemical properties of waste when preparing a waste analysis certificate or prohibition of using forged certificates during waste transportation.
- Prohibition of delivering waste produced to a treatment plant not specifically authorised.
- Prohibition of placing waste of any kind, solid or liquid, into surface waters or groundwater.
- Prohibition of setting fire to waste produced by the Company itself, within the corporate area and setting fire to waste that is found left or deposited.
- Prohibition of dispersing and/or storing waste on which, subsequently, third parties will set fire.

- Third-party waste found within the areas owned by the Company, should be treated as internally generated waste and disposed of according to the rules governed by the relevant procedure.

The occurrence of an event with the potential to contaminate a site must be communicated to the public bodies concerned.

Each Employee/Collaborator must provide full cooperation to the competent Authorities, on the occasion of inspection and/or audits carried out in the Company.

Finally, it is expressly forbidden to engage in conduct that directly or indirectly can potentially lead to an environmental offence.

Each employee/Collaborator must contribute to good environmental management, always operating in compliance with the regulations in force, and should not subject other employees to risks that could cause damage to their health or physical integrity.

## **2.7 BEHAVIOUR RELATING TO ACCOUNTING RECORDS**

All legal provisions must be observed unconditionally, including the instructions issued by the competent Public Authorities, and the policies/procedures adopted by the Company on the preparation of tax returns and the payment and calculation of taxes.

All the Company's actions and transactions must be properly recorded, and it must be possible to verify *ex post* the related decision, authorisation and conduct.

Each transaction must have an adequate documentary support in order to carry out checks at any time regarding the characteristics and motivations of the transaction and to identify the persons who have authorised, performed, recorded and verified the transactions.

The accounting records – i.e. all documents that numerically represent management facts, including internal expense refund notes - must be maintained in an accurate, complete and timely manner, in compliance with Company accounting procedures, for an accurate documentation of the capital/financial position and management activity.

Internal training and information must be promoted in relation to taxation and the widest dissemination and knowledge should be provided to the relevant Company departments regarding the policies/procedures adopted by the Company for the preparation of tax returns and the payment and calculation of taxes.

All Employees and Collaborators are required to fully cooperate by providing in a timely manner, within their competence, comprehensive, clear and truthful data and information; equally, all Employees and Collaborators are required to report - as required by Company procedures - any information in their possession that is relevant to the accounting records.

Financial statements and corporate communications required by the law and by applicable special legislation should be drafted in a clear way and properly disclose the true capital and financial position of the Company.

Employees are required to inform their managers and/or the Supervisory Board of any serious negligence or omission, falsifications of accounts and/or of documentation underlying the accounting records.

## **2.8 CORPORATE BEHAVIOUR**

Complaints, communications and filings with the Register of Companies that are mandatory for the Company must be carried out by the entities identified by the law promptly, truthfully and in compliance with the regulations.

It is expressly forbidden to prevent or hinder, through the concealment of documents or other suitable means, the performance of control or auditing activities legally attributed to shareholders, other corporate bodies or auditing firms.

It is forbidden to engage in simulated or otherwise fraudulent conduct, aimed at determining the majority in the Shareholders' Meeting.

It is forbidden, also by misguiding behaviour, to return the contributions made by shareholders or free them from the obligation to make them, except in the cases of legitimate reduction of the share capital.

It is forbidden to distribute profits or advances on earnings not actually achieved or intended for reserves or distribute unavailable reserves.

It is forbidden to form or increase the Company capital by falsely attributing shares for sums that are lower than their nominal value, by reciprocal underwriting of shares, by significant overestimation of contributions in kind or credits, or of the Company's assets in case of transformation.

It is forbidden to carry out any kind of transaction that may cause damage to shareholders or creditors.

It is forbidden to carry out real or simulated transactions that can distort the proper dynamics of supply and demand of financial instruments and transactions that may derive unfair advantage from the dissemination of incorrect information.

## **2.9 CONDUCT RELATING TO MONEY LAUNDERING**

The Company condemns any activities involving the laundering (i.e. accepting or processing) of revenues from criminal activities in any way or form.

To that end, the Management, Employees, Semi-subordinated Workers and third parties who perform tasks on behalf of the Company are obliged to comply with and enforce Italian and EU laws against money laundering, with the encouragement of reporting to the competent Authority every transaction that may involve a crime of this nature.

In particular, the persons holding top management positions and those who carry out their activities in areas at risk must commit to ensure compliance with the laws and regulations in force, in each geographical and operating context, as relevant to measures that restrict the use of cash and bearer securities in transactions.

It is forbidden to transfer cash or bearer securities when the value of the transaction, also apportioned, amounts to or is above the limit laid down by the law. It should be noted that any other conduct aimed at implementing the transfer (e.g. transfer promise or agreement, etc.) is prohibited.

Knowledge of customers is essential to prevent the use of the financial and production system of the Company for the purpose of money laundering as well as to assess possible suspicious transactions.

In any case, it is absolutely forbidden to maintain relations with subjects (individuals and/or legal entities) known or suspected to be members of criminal organisations or otherwise operating outside of legal bounds, such as, for example but not limited to subjects related in any way to the world of organised crime, money laundering, drug trafficking, usury, handling stolen goods and labour exploitation.

The Company intends to protect itself from the risk of buying material derived from illegal activities.

It is forbidden to attest to compliance of goods/services at the reception of the same without careful consideration of merit and appropriateness in relation to the good/service received and proceed with the authorisation for the payment of goods/services in the absence of a verification about the adequacy of delivery/performance compared to contractual terms.

It is mandatory to carry out the business activity and the choice of Suppliers based on criteria of transparency, paying the utmost attention to information about third parties with whom the Company has financial or commercial transactions that can even raise the suspicion of an offence that configures itself as Self-money laundering.

In any case, it is forbidden to recognise compensation to external Consultants who do not find adequate justification in connection to the type of task to be carried out or performed.

## **2.10 BEHAVIOUR RELATING IT SYSTEMS MANAGEMENT**

Users of computer systems are prohibited from:

- Intercepting communications or information by third parties through Computer Systems.

- Damaging in any way information, data and computer programs and computer or telematic systems, including those used by the State, other public institutions or public interest entity.
- Improperly accessing a computer or telematic system.
- Disseminating illegal access codes to computer or telematic systems.

The Company prohibits the possession, reproduction, marketing, distribution or sale of copies of software protected by intellectual property laws without permission from the owner of those rights.

## **2.11 BEHAVIOUR RELATING TO COPYRIGHT, INTELLECTUAL AND INDUSTRIAL PROPERTY**

The Company complies with the legislation on protection of trademarks, patents and other distinctive signs and copyright.

In particular, the Company does not allow the use of intellectual property without the S.I.A.E. mark, or altered or counterfeited. It prohibits the reproduction of computer programs and the content of databases, as well as the appropriation and any form of dissemination of protected intellectual property, including through the disclosure of its content before it is made public.

The Company does not allow the use, for any reason whatsoever and for whatever purpose, of products with counterfeit brands and marks.

Equally, the Company prohibits – outside the hypotheses provided for by the law or any agreements with entitled entities – the manufacturing or marketing or any activity in violation of third party's patents.

The Company condemns and prohibits:

- The publication of an intellectual work belonging to others, or part thereof, without having the relevant right or through usurpation of the authorship, deformation, mutilation or other modification of the work itself, causing offence to the honour or reputation of the author.
- The duplication, importation, distribution, sale, possession for commercial and/or business purposes or lease of programs protected by copyright laws.
- The duplication, reproduction, transmission or dissemination in public through any process, in whole or in part, of an intellectual work intended for the television/film circuit.
- The unauthorised public reproduction, transmission or dissemination, through any process, of scientific, literary, dramatic, musical or dramatic-musical educational or multimedia works or parts thereof.
- The importation, possession for sale, distribution, sale, lease, transfer for whatever reason, commercial promotion, installation of devices capable of decoding or special items that make it possible to access an encrypted service without payment of the due fee.
- The sale, importation, promotion, installation, alteration, public and private use of equipment or parts of thereof suitable for decoding audiovisual transmissions based



on conditional access made over the air, via satellite, cable, in both digital and analogue form.

- The sale of goods in place of others, or of products that have different origin, provenance, quality or quantity than what has been stated or agreed upon.
- The sale or distribution of industrial goods, with domestic or foreign names, trademarks or distinctive signs, likely to mislead the buyer as to the origin, provenance or quality of the work or product.
- The manufacturing or industrial use of objects or other goods manufactured by usurping an industrial property right or in violation of the same (being able to learn of the existence of the industrial property right) and, in particular, the use of information or data, owned by the customer or third parties, protected by an industrial property right, outside of specific authorisation of the customer or a third party.
- The manufacturing or the entry into the territory of the State for marketing purposes (in violation of the rights of the rightful owner) of intellectual property or industrial products bearing counterfeit trademarks or distinctive signs, domestic or foreign.
- The production or introduction in the territory of the State for marketing purposes of intellectual property or industrial products by usurping designs or models, domestic or foreign, or through counterfeit or alteration of such designs and models.

In carrying out its business, the Company intends to avoid any contact with persons at risk of dealing with criminal organisations and strives to know its business partners and vendors, verifying their commercial and professional trustworthiness.

## **2.12 BEHAVIOUR REGARDING COUNTERFEITING CURRENCY**

The Company condemns any activity involving forgery, counterfeiting, alteration and/or disbursement of coins, public credit documents and stamp duties.

To this end, the Management, Employees and Semi-subordinated workers are obliged to comply with and enforce the Italian and European Community legislation, and to be vigilant in preventing also the possession, use or disbursement in good faith, with the encouragement to report to the competent authority any situation that may be referable to crimes of this nature.

## **2.13 BEHAVIOUR TOWARDS WORKERS AND PROTECTION OF THE INDIVIDUAL'S PERSONALITY**

It is forbidden to hire or employ in any way – also through temporary work agencies – foreign workers without a legal residence permit, or whose permit has expired, and its renewal has not been requested, in accordance to the law, or has been revoked, or cancelled.

Each foreign worker, who must have a residence permit or other documentation required by the applicable law, undertakes to deliver a copy of such documentation at the time of

recruitment, to request well in advance its renewal to the competent authorities and to inform the Company regarding the renewal, with the related expiration date, as well regarding the possible non-renewal, revocation or invalidation.

The Company monitors the residence permits of its foreign workers, with their expiration dates and any possible changes (revocation, cancellation or non-renewal).

It is strictly forbidden to:

- 1) Recruit workers with the aim of seconding them to third parties in conditions of exploitation, taking advantage of the state of need of workers.
- 2) Use, hire or employ workers, including the brokering activity referred to in point 1), subjecting them to exploitative conditions and taking advantage of their state of need.

It should also be noted that promoting, directing, organising, funding, or carrying out the transport of foreigners into the country, or perform other acts aimed at obtaining their illegal entry or facilitating their permanency in the territory of the State or of another State of which the person is not a national or a permanent resident constitutes a criminal offence in the following cases:

- a) The fact concerns the illegal entry or stay in the territory of the State of five or more people.
- b) The carried person has been exposed to danger to his/her life or safety to obtain his/her illegal entry or stay.
- c) The carried person has been subjected to inhuman or degrading treatment to obtain his/her illegal entry or stay.
- d) The fact is committed by three or more people in collaboration with each other or using international transport services or counterfeit or altered documents or in any case obtained illegally.
- e) The perpetrators have availability of weapons or explosive materials.

The penalty is increased if the above facts:

- a) Are committed in order to recruit people for prostitution or sexual or labour exploitation or are related to the entry of minors to be used in unlawful activities with the aim of promoting their exploitation.
- b) Are committed with the aim of obtaining a profit, also indirectly.

Furthermore, it is strictly forbidden to hold, electronically or on paper, on the premises of the Company or to disclose through the Company's website or the publications edited or promoted by the Company, pornographic material or virtual images created using pictures of persons under the age of eighteen.

Virtual images are understood as images made with graphic processing techniques that are not associated, in whole or in part, with real situations, but whose quality of representation renders fictitious situations realistic.

Therefore, the Company in its business activities intends to strictly avoid any contact with persons at risk of dealing with criminal organisations and strives to know its business partners and vendors, verifying their commercial and professional trustworthiness.

## **2.14 BEHAVIOUR AGAINST ORGANISED CRIME (INCLUDING TRANSNATIONAL)**

All activities and operations carried out within FABER INDUSTRIE, or on its behalf, must be compliant with the laws in force and the principles of fairness and transparency, in order to the Recipients of the Model from committing offences related to organised crime (including transnational).

It is forbidden to make use, also through the intervention of third parties, of labour provided by persons illegally present in the country and/or holding counterfeit or altered identification documents or in any case obtained illegally.

It is also forbidden to occasionally use the Company or one of its organisational units in order to allow or facilitate the commission of the offences indicated in art. 24-b of the Decree and art. 10 of Law no. 146/2006, that is, by way of non-exhaustive example:

- Criminal association.
- Mafia-type associations including foreign ones.
- Political-mafia electoral exchange.
- Other crimes committed under the conditions set forth in art. 416-a (mafia-type association) or facilitation of the activities of mafia-type associations.
- Criminal association aimed at smuggling foreign processed tobacco or at the illicit trafficking in narcotic drugs and psychotropic substances.
- Provisions against clandestine immigration.
- Personal aiding and abetting (applicable only to cross-border crimes).
- Assistance to members of associations having the aim of international terrorism or subversion of the democratic order.

In addition, it is forbidden to provide, directly or indirectly, funds to individuals who wish to commit the above offences.

It is forbidden to take on or assign work orders or carry out any commercial and/or financial transaction, both directly and through intermediaries, with subjects – natural or legal persons – whose names are contained in lists (e.g. white list of the Prefecture, list of companies participating in the Protocol of legality between Confindustria and the Ministry of the Interior, legality ratings, etc.) or with subjects controlled by them when that control relationship is known.

Take on or assign work orders or carry out any transaction which may show an unusual nature due to its type or purpose, which could lead to the establishment or maintenance of relationships that appear anomalous from the standpoint of trustworthiness of the same and/or reputation of the counterparties.

The Company, in its business, intends to avoid any contact with persons at risk of dealing with criminal organisations and strives to know their business partners and vendors, verifying their commercial and professional trustworthiness.

## **2.15 BEHAVIOUR REGARDING RACISM AND XENOPHOBIA**

It should be noted that the participation in organisations, associations, movements or groups inciting discrimination or violence for racial, ethnic, national or religious reasons, or carry out propaganda, incite or instigate, in whole or in part, the negation, minimisation or justification of the Holocaust or of genocide crimes, crimes against humanity and war crimes is a criminal offence.

Therefore, the Company, in its business activities, intends to avoid any contact with individuals at risk of relationships with similar organisations and strives to know its business partners and vendors, verifying their professional and commercial trustworthiness.

## **3 EFFECTIVENESS OF THE CODE AND CONSEQUENCES OF ITS VIOLATIONS**

### **3.1 COMPLIANCE WITH THE CODE AND VIOLATION REPORTING**

The task of assessing the actual suitability of the Code and verifying its implementation and compliance is entrusted to the Supervisory Body.

Each individual Recipient of the Model has an obligation to report:

- Any misconduct in accordance with Leg. Decree no. 231/2001.
- Behaviour or events that may constitute a violation of the Code or, more generally, are relevant pursuant Leg. Decree no. 231/01.

Specifically, the Recipients of the Model are required to report to the Supervisory Board any behaviour that may constitute a criminal offence pursuant to Leg. Decree no. 231/01, related to the processes falling within their competence, which has come to their knowledge, in connection with their tasks, carried out directly or through their collaborators, which may involve:

- The commission, or the reasonable risk of commission, of the offences referred to by Leg. Decree no. 231/2001;.
- A substantial breach of the rules of conduct/procedures/protocols issued by the Company and/or in any case a violation of the Model.

The reports should be sent:

- To the direct superior;
- Directly to the Supervisory Board in the following cases: i) in the event of the direct superior failing to take action; ii) if the employee does not feel free to contact his/her superior, due to the nature of the reported fact; iii) in cases where no direct hierarchical superior can be identified.

The Recipients of the Model are also obliged to provide the Supervisory Board with any information or documents requested by the same in the performance of its duties.

The Department heads, should they become officially aware of news, also from the judicial police, regarding crimes or offences affecting the Company, must report them to the Supervisory Board.

The Supervisory Board is required to carry out a timely and careful verification of the submitted news and, after ascertaining the merits of the report, to submit the case to the Department responsible for the application of disciplinary measures or for the activation of contract termination procedures. The Supervisory Board has the right to summon and hear the author of the report and any other party involved, consulting where appropriate the top management of the Company (Chair of the Board of Directors).

Reporting to the Supervisory Board must be made in writing through one of the following communication channels established by the Company to ensure the confidentiality of the identity of the reporting person:

- Organismo di Vigilanza, c/o FABER INDUSTRIE S.P.A., Via dell'Industria 64, 33043, Cividale del Friuli (UD), Italia
- [odv-faberindustriespa@hostingtek.it](mailto:odv-faberindustriespa@hostingtek.it)

Reporting to the Supervisory Board, which can be made anonymously, must be substantiated and be based on precise and concordant evidence allowing the investigative activities of the organism itself. If it is not sufficiently substantiated the Board considers whether to take this into account.

The Company protects the person who submits reports in good faith from any form of retaliation, discrimination or penalisation. With reference to the news of any occurred or attempted breach of the rules contained in the Model and the Code, FABER INDUSTRIE will ensure that nobody, in the context of the workplace, may be subject, directly or indirectly, to any retaliation, unfair pressure, inconveniences and discrimination for reasons connected, directly or indirectly, to the report.

The adoption of discriminatory measures against persons who submit reports can be communicated to the National Labour Inspectorate, for the measures of its competence, by the author of the report and by the trade union organisation indicated by the same.

All corporate parties involved in the receipt and handling of reports are required to guarantee absolute confidentiality regarding the content and the identity of the reporting person; in particular, it is expressly forbidden to communicate or provide any indications regarding the identity of the reporting person to the reported subject.

The Company adopts suitable measures to always guarantee the confidentiality of the identity of both the reporting person and the reported subject, also while managing the report; all in compliance with privacy laws.

### **3.2 SANCTIONS**

The violation of the rules of conduct set out in the Code and in the Company procedures compromises the relationship of trust between the Company and anyone who commits the violation (Recipients).

It should be noted that the following actions constitute a violation of the Code:

- Any form of retaliation against those submitting, in good faith, reports of possible violations of the Model.
- Any allegations made, with fraud and gross negligence, against other employees regarding violations of the Model and/or misconduct, with the awareness that such violations and/or conduct are baseless.
- The violation of measures to protect the confidentiality of the reporting person.

Once established, all violations shall be prosecuted decisively, promptly and immediately, by adopting – in accordance with the provisions of the existing regulatory framework – appropriate and proportionate disciplinary measures, regardless of the possible criminal relevance of such behaviour and the establishment of any related criminal proceeding.

Disciplinary measures for violations of the Code are adopted by the Company in compliance with the law and with its national or company contracts. Such measures may include the expulsion from the Company of the person/s responsible for the violation. With respect to persons who are not connected with the Company by an employment relationship, violations of the Code will be sanctioned with the application of the statutory remedies provided for by the law.

### **3.3 DISCLOSURE OF THE CODE**

In order to ensure the correct understanding of the Code, FABER INDUSTRIE shall establish an information plan ensuring its full disclosure and explanation.

In particular, the Code will have to be brought to the attention of the Governing bodies, of any worker-shareholder, of Employees, of Semi-subordinated workers, of business Partners and Consortia in which the Company participates.

The Company must also decide whether to disclose the Code to Suppliers/Consultants and any other third party having a relationship with the Company or being able to act on behalf of the Company, without prejudice to paragraph 1.2 regarding the activities involving a risk of committing crimes under Leg. Decree no. 231/2001.

The Code is published with proper emphasis on the Company's website.

Updates and reviews of the Code are defined and approved by the Company's Board of Directors, in consultation with the Supervisory Board.

## **4 REFERENCES**

- Leg. Decree no. 231 of 8 June 2001, as amended
- Confindustria Guidelines for the construction of the Organisational Model Leg. Decree no. 231/2001 – March 2014 Edition
- Unified Safety Code (Leg. Decree no. 81/08)