



**MICROELETTRICA**

**CODE OF ETHICS**



# MICROELETTRICA

## CODE OF ETHICS

Approved  
by the Board of Directors  
on 16.12.2021

## TABLE OF CONTENTS

1. FOREWORD
2. MICROELETTRICA SCIENTIFICA S.P.A.
3. RECIPIENTS
4. OUR VALUES
5. CORPORATE RESPONSIBILITY
6. GENERAL PRINCIPLES
7. RULES OF CONDUCT
8. COMPLIANCE WITH DISQUALIFICATIONS
9. COMMUNICATIONS AND TRAINING
10. CONTROL AND MONITORING





**MICROELETTRICA**



# MICROELETTRICA

## 1. FOREWORD

This Code of Ethics is the tool with which Microelettrica Scientifica S.p.A. (hereinafter also "MS" or the "Company") expresses the values, rules of conduct and commitments which are recognised as having a positive ethical value and with which all Recipients of the Code must comply. The adoption of the Code of Ethics is intended to meet the needs and expectations of all the interlocutors of MS (suppliers, subcontractors, customers, consultants, distributors, agents, etc.) so as to create a transparent reality that is oriented to compliance with the law and with adequate ethical and behavioural standards. This Code of Ethics, as part of the Ethics and Corporate Responsibility Documentation, incorporates the "Code of Conduct" and the "Supplier code of Conduct" of the Knorr-Bremse Group, as management tools and effective elements

of the Group's strategy and organisation, adapting them to the specific corporate reality in Italy.

The Code of Ethics is part of the Organisation, Management and Control Model within the meaning of Legislative Decree 231/01, in accordance with the Confindustria Guidelines for the drawing up of Organisation, Management and Control Models under Legislative Decree 231/2001.



The Company expects its directors, executives and all its employees and collaborators to behave in a strictly ethical manner when dealing with customers and suppliers and when representing

the Company before third parties and the Public Administration. MS considers the UN Universal Declaration of Human Rights, the International Conventions and Recommendations on Labour issued by ILO (International Labour Organisation), the Earth Charter prepared by the Earth Council and the principles set out in the United Nation's Global Compact, as essential points for the definition of its principles. Therefore, MS condemns all forms of discrimination, corruption, exploitation, forced labour or child labour. Specifically, utmost importance is given to the recognition and protection of personal dignity, freedom and equality of human beings, the protection of labour and trade union freedom, health and safety and the environment.



**MICROELETTRICA**

## **2. MICROELETTRICA SCIENTIFICA S.P.A.**

MS is a company within the Knorr-Bremse Group that is active in the design and production in Italy of electrical, electromechanical and electronic equipment.

The Knorr-Bremse Group is a world leader in the production of braking systems for rail and commercial vehicles. As a technological pioneer, Knorr-Bremse has been significantly promoting for over 100 years the development, production and sale of modern braking systems for different applications in the field of rail and commercial vehicles.

Knorr-Bremse has about 500 employees in Italy at its three plants: a production plant in Arcore (Milan), a production plant in Buccinasco (Milan) and a production plant in Campi Bisenzio (Florence).

In the pursuit of its activities, MS meets, in a transparent and accurate manner, the needs of all its stakeholders (employees, executives, shareholders, suppliers, subcontractors, customers, consultants and the Public Administration) and produces wealth consistently with its own vision and with the values of responsibility, transparency, trust and respect for human beings.

The Company is also ISO/TS 22163:17-certified, this being an internationally recognised standard dedicated to the railway sector and aimed at assessing Business Management systems.



## 3. RECIPIENTS

The principles and provisions set out in this Code of Ethics are binding on all the following subjects (hereinafter, the "**Recipients**"):

- the members of the Board of Directors, when setting objectives, deciding on activities, implementing projects, suggesting investments and for any decision or action relating to the Company's progress;
- the members of the Board of Statutory Auditors, when controlling and verifying the formal and substantive correctness of the Company's business and the operation of its internal control system;
- Senior managers and Executives, when implementing the Company's executive activities and in the management of internal and external activities;
- all Employees and Collaborators with whom the Company has a contractual relationship, in any capacity, also on an occasional and/or only provisional basis;
- all partners, suppliers and in general all those who, in various capacities, act in the name or on behalf and in the interest or to the benefit of the Company, regardless of the legal qualification of their relationship (including, but not only, contract workers, temporary workers, agency workers, consultants, etc.);

All the Recipients are required to comply and cause compliance with the principles of the Code of Ethics in the performance of their duties and responsibilities, and undertake to pursue their objectives in accordance with principles and values such as respect, expertise, merit, innovation, excellence, internationality, multiculturality, rights and sustainability.

These ethical principles should inspire all the activities of MS, even where carried out through distributors, agents, contractors, subcontractors, consultants or business partners, consortia and joint ventures, which promote the provisions of the Code of Ethics for the matters pertaining thereto.

Under no circumstances can a person's belief to be acting to the Company's benefit justify conduct that is in contrast with the principles enshrined in this Code of Ethics.



## 4. OUR VALUES

The Group's five values provide a framework for our daily activities and dealings with colleagues, partners and society.



### ENTREPRENEURSHIP

We set ourselves clear targets and focus on performance with a view to achieving our business goals. We have the open-mindedness and courage to develop new business areas, anticipating solutions that meet customer needs.



### TECHNOLOGICAL EXCELLENCE

We offer technological expertise and competence in all the areas in which we operate. Our objective is to anticipate customer needs and create customer value, offering innovative, leading-edge and competitive system solutions..



### RESPONSIBILITY

We value and promote diversity and foster personal development as a key factor for success. As our company grows, so too does our sense of responsibility - not just to Knorr-Bremse but also towards society at large, the environment and ourselves. We value a culture of mutual respect and honesty. We encourage our employees to grow personally through global talent development and training programmes.



### RELIABILITY

Safety is Knorr-Bremse's main focus. Our products and services call for excellent quality standards in all areas and processes. We keep our promises and ensure that the demands of our customers, partners and colleagues are met.



### PASSION

We love what we do. Challenges and changes inspire our creativity. We are all passionate about performing well and are determined to develop and implement new ideas.



## 5. CORPORATE RESPONSIBILITY

The corporate responsibility of Knorr-Bremse takes the shape of six focus areas, in which relevant measures for corporate responsibility are grouped and processed.

Sustainability issues, which are especially important to us, are given priority based on a relevance analysis in which we align the environmental and social challenges of our business with our stakeholders' needs. We focus especially on issues that are particularly important to our stakeholders and business.

### STRATEGY AND MANAGEMENT

Knorr-Bremse includes the issues of sustainability in strategic planning and operations and thereby systematically aims to produce sustainable value.

### COMMITMENT AND SOCIETY

Knorr-Bremse is involved in social and economic issues and is also engaged worldwide as a good corporate citizen.

### ENVIRONMENT AND CLIMATE

Knorr-Bremse has set itself the goal of handling resources in a responsible manner, minimising and where possible avoiding undesirable impact on nature and the environment and actively using opportunities to protect the environment.

### PRODUCTS AND PARTNERS

Knorr-Bremse develops solutions that specifically ensure a high degree of customer value and the production of sustainable value. We work closely with our customers and suppliers to jointly improve the safety and quality as well as the environmental and social sustainability of our products.

### EMPLOYEES AND GOVERNANCE

Knorr-Bremse intends to offer an attractive and safe working environment in which the principles of trust, team-work, equality of opportunity as well as fair and respectful conduct are recognised and practiced.

### COMMUNICATION AND CO-OPERATION

Knorr-Bremse seeks open and constructive dialogue with the different groups of stakeholders and provides them with regular and transparent updates on the progress of its sustainability performances.



**MICROELETTRICA**



## **6. GENERAL PRINCIPLES**

### **Respecting rules and regulations**

An essential principle for the Company is the pursuit of its business in accordance with current laws and regulations. Ethical integrity and fairness are principles which the recipients of the Code of Ethics must act in accordance with.

The Company's relationship with any interlocutor, whether it be public or private, must be in accordance with the law and with the principles of transparency, honesty, fairness, good faith and verifiability.

The Company ensures an ongoing training and awareness programme concerning the regulations and themes pertaining to the Code of Ethics. In case of doubts or should further information be required, the Company's employees and collaborators may contact, in addition to their direct superiors, also the Supervisory Board under Legislative Decree 231/01, specifically appointed by the Company.

The Company operates in compliance with professional ethics and internal regulations. The pursuit of the Company's interest can never justify conduct that is not in accordance with the principles of fairness and honesty; also for this reason, the Company refuses any fact, act or conduct that can be intended as designed to affect the independent judgement and conduct of the parties concerned.

### **Honesty and fairness**

The recipients of this Code of Ethics undertake to act in accordance with the procedures, protocols, corporate documents, operating manuals and internal regulations of MS. In addition, anyone acting pursuant to powers of attorney or delegated powers, undertakes to abide by his/her mandate and to act in accordance with and within the limits of the powers granted thereto.



# MICROELETTRICA

## **Transparency**

All stakeholders must be informed, in a clear and transparent manner, of the Company's situation and its economic and management progress, without favouring any stakeholders or single individuals.

## **Integrity**

MS regards ethics as a primary interest. For this reason, MS does not tolerate conduct which, albeit apparently and theoretically intended to favour the Company or the Group, is in contrast with current regulations or this Code of Ethics. In addition, MS condemns all forms of recommendation and clientelism.

## **Reliability**

MS ensures respect for its commitments to all its interlocutors. It also guarantees that what is initially proposed corresponds to what is subsequently carried out, and promotes a relationship of full trust.

## **Impartiality and respect for human beings**

MS condemns any form of discrimination based on age, sex, race, ethnic origin, nationality, political opinions and/or religious beliefs whenever proposals and decisions are made and actions are put in place involving internal collaborators and third parties.

## **Institutional dealings**

Our dealings with government and international institutions must consist solely of communications aimed at assessing the implications of regulatory and administrative actions involving our Company, to meet informal requests or inspections or otherwise to disclose MS's position on relevant issues.

To this end, MS will ensure utmost clarity and transparency in its dealings and will maintain these relationships by acting solely through representatives who have been expressly authorised by the Company's senior executives.

## **Competition**

The Company believes in free and fair competition and shapes its actions and conduct to obtain competitive results which reward skills, expertise and efficiency. Any action that is intended to alter the conditions of fair competition is contrary to the Company's corporate policy and is prohibited to any subject acting therefor. In addition, to protect the national economy and free competition, it is prohibited to use violence or any instrument that can prevent or disrupt another subject's activity and free competition.

The Company undertakes to comply with the law on the protection of fairness in business dealings. In fact, a fundamental principle for MS is the statutory prohibition to market products which are different, in terms of quality or quantity, from those declared or agreed on.

In addition, it is forbidden to use violence with respect to property or use fraudulent means to prevent or disrupt an industry or trade. The Company also ensures compliance with export and import rules and regulations.



# MICROELETTRICA

## **Intellectual property**

MS fully respects all industrial and intellectual property rights lawfully held by third parties, as well as all laws, regulations and conventions, also at EU or international level, protecting these rights. MS condemns any conduct that can amount to an infringement of intellectual work protected by copyright.

## **Confidentiality**

The Company ensures the confidentiality of all data and information collected in its data banks protected by privacy laws, as well as of all data and information which, pursuant to agreements, may not be disclosed outside the company and whose inappropriate disclosure might damage its interests.

MS acts in full compliance with the law protecting the privacy of all Recipients and, more generally, of all those who deal with the Company, in any capacity. To this end, the Company adopts rules that are specifically intended to prohibit the undue communication and/or disclosure of personal data without the data subject's prior consent.

The Company's employees, the members of its corporate bodies and its collaborators may not use confidential information for purposes not related to the performance of their professional services.

## **Conflicts of interest**

In the pursuit of all its activities, the Company takes steps to prevent any conflicts of interest, whether they be actual or even only potential. A "conflict of interest" arises both in the cases established by law and also when a person pursues an interest that is different from the company's and its shareholders' to obtain a benefit for himself or third parties.

To put this principle into practice, the Recipients have the following obligations:

- To comply with the law and with the Company's internal regulations in all their personal and business dealings, also outside the Company;
- To avoid acts or dealings which might be or might appear to be in contrast with the obligations arising from each function of the Company or with its interests;
- To assess the pros and cons, for the Company, of their acceptance of another position at another company;
- To report to the Company (or to their direct superior or Supervisory Board) any dealing or situation that is relevant to the Company's business, which involves personal interests or interests of persons related thereto (such as their relatives, friends, acquaintances).

Any conflicts of interest, even only potential ones, between shareholders, employees, directors, collaborators and the Public Administration are prevented and managed when the assignment is granted or when the work relationship starts, asking them to sign a specific statement in which they undertake to avoid situations that can amount to a conflict of interest in their dealings with representatives of the Public Administration and, if this happens, to report them promptly to the Supervisory Board.

Whoever becomes aware of a conflict of interest is required to report it promptly in detail, using the dedicated channels (odv@microelettrica.com, or sending an internal email to the Supervisory Board).

In any case, to intervene in the operating or management process in case of a conflict of interest, is forbidden.



# MICROELETTRICA

## Safety and hygiene at work

MS guarantees to its employees and collaborators that all work areas are suitable to protect their health, safety and physical/moral integrity, in accordance with current rules and regulations and with the Group's HSE Policy. The ISO 45001 "Occupational health and safety management systems - Requirements with guidance for use" certification obtained by the Company certifies the application of a system that ensures an adequate control as to occupational health and safety as well as compliance with mandatory rules.

The Company intends to operate whilst respecting the safety of its employees, suppliers, subcontractors, customers and third parties in general, preventing accidents and mitigating their harmful effects.

Therefore, the Company develops, issues, reviews and implements safety plans for its employees and undertakes to spread its workers' health and safety policy and to provide all human, instrumental and economic resources to implement it throughout its organisation. All its workers are responsible for its implementation, based on their responsibilities and duties.

## Environment

In the pursuit of its business MS undertakes to protect the environment of the area where the Company's office is based and to contribute to the sustainable development of the territory. The Company ensures the transparent management of environmental issues, the active participation of all its employees and the constant monitoring of corporate processes, as well as the identification of industrial solutions with the lowest environmental impact.



The Company is aware of the impact of its business on economic-social development and on the quality of life in the relevant territory and thus undertakes to manage it in accordance with current environmental regulations.

When promoting or designing mechanical, electromechanical and electronic equipment of any type and for any use, the Company performs or takes care of the performance, *inter alia*, of all assessments required to evaluate any potential environmental hazard deriving from this operation and to prevent its damages.

In order to strengthen its duty to protect the environment, MS has specified the obligation to act strictly in accordance with the provisions of law, of other directives on the environment and on hygiene and with corporate procedures.

Being aware of the importance of minimising the environmental impact as much as possible and of constantly improving the protection of the surrounding environment, the Company has obtained the UNI EN ISO 14001:15 international certification.

MS also undertakes to constantly improve the management and optimisation of energy efficiency, to sustain best practices in energy management, to promote virtuous conduct and to ensure that the corresponding legislative and regulatory provisions are met; to this end, it has obtained the ISO 50001:2011 (Energy Management) certification.



# MICROELETTRICA

## **Use of computer or telematic systems**

MS undertakes to guarantee the proper use of computer or telematic services, making sure that access to telematic and computer data is in full compliance with current rules so as to ensure data confidentiality and guarantee that data are processed solely by expressly authorised staff.



In any case, no employee, member of corporate bodies or collaborator can access another person's computer or telematic system without being authorised to do so and violating the law, and infringe the corresponding access limits. These obligations must be fulfilled also with respect to any access limits relating to the Company's corporate computer system, where such access is reserved solely to given individuals.

Except as provided for by civil and criminal regulations, the use of network connections for purposes other than those related to one's work or to send offensive messages or messages that might damage the Company's image, is a misuse of corporate assets and resources.

## **Protection of corporate assets**

MS endeavours to make sure that the use of the resources available - in accordance with current rules and the Bylaws and in line with the values of the Group's Code of Conduct - is designed to guarantee, increase and strengthen corporate assets, protecting the Company itself, its Shareholders, creditors and the market.

Therefore, corporate assets must be used in accordance with the law and current regulations and in compliance with operating procedures.

The assets owned by MS must be used solely for corporate purposes. The Company's employees are required to protect corporate assets against any case of loss, theft or misuse and may not disclose corporate secrets either during or after their work relationship.



# MICROELETTRICA

## Product quality and safety



The Knorr-Bremse Group supports the rail vehicle sector in shaping mobility to make it futureable, environmentally sustainable and safe. To achieve these goals, the Company focuses on product Safety, Quality and reliability, meeting the most rigorous safety requirements and top quality standards across all sectors and processes.

This development is fostered by the Knorr-Bremse Group not only with tried-and-tested braking technologies

but also with innovative electronic systems for collision prevention and vehicle stabilisation as well as intelligent solutions for integrating mechatronic systems.

The requirements of the products marketed by MS originate from a corporate management system that is implemented under a Quality assurance system, according to the UNI EN ISO 9001:2015 standard of excellence. In this respect, our focus is not only on the system of controls concerning finished products and, upstream, raw materials and components; but it is also on the guarantee that the controls themselves and corresponding decisions will be implemented "under an adequacy assurance system".

## Transparency of accounts and internal audits **General principles on audits**

Every single action of MS must be legitimate, consistent, reasonable, adequately recorded and the corresponding decision-making, authorisation, performance and control process must be verifiable.

Corporate processes and the activities of MS are in accordance with the following general principles of its internal audit and risk management system:

**Segregation of duties** → the separation of responsibilities among the person who executes, the person who controls and the person who authorises the process, must be ensured.

**Regulation** → formal rules or consolidated practices must be in place to provide principles of conduct and operating methods for the pursuit of corporate activities.

**Authorisation and signing powers** → rules must be in place to enforce signing and internal authorisation powers, consistently with the organisational and management responsibilities assigned.

**Traceability** → support documents are kept for each operation that allow for the reconstruction of its sources, of any information and controls supporting the formation and implementation of MS's decisions as well the methods with which financial resources are managed.

## **Protection of share capital**

MS aims at giving value to its share capital, undertaking to suitably reward the risk so as to increase the Company's solidity in a medium-long term sustainable perspective, according to market rules and the principles of fairness and transparency. MS ensures compliance with principles of conduct that are designed to ensure the integrity of its share capital, the protection of creditors and third parties dealing with the Company and, in general, the transparency and fairness of MS's business in economic-financial terms.

## **Corporate governance**

In the conduct of its business, MS condemns any type of conduct that is designed to support, encourage, facilitate and induce the recipients to infringe one or more of the following principles:



# MICROELETTRICA

- Utmost collaboration, transparency, fairness and efficiency when dealing with the audit firm, the Board of Statutory Auditors, on the occasion of shareholders' requests and when dealing with Public Supervisory Authorities;
- Due care, expertise, fairness and accuracy in the preparation and verification of data and information to be incorporated into the Company's Financial Statements, reports or other corporate communications required by law or otherwise intended for the public or for Supervisory boards or Authorities;



- Prohibition to damage the integrity of the Company's assets in any form or with any means. Specifically, it is forbidden, except in the cases or with means other than those expressly admitted by law, i) to return shareholders' contributions in any form or release them from the obligation to provide therefor; ii) to distribute dividends not actually achieved or to be set aside by law as a reserve, or reserves that cannot be distributed; iii) to purchase or subscribe for

shares or units of MS or parent companies; iv) to reduce the share capital, engage in mergers or demergers in violation of the rules protecting creditors; iv) to fulfil, in case of the Company's liquidation, a shareholder's claims to the detriment of its creditors;

- Prohibition to engage in any act, whether simulated or fraudulent, intended to influence the willingness of the members of the General Assembly to obtain an irregular majority and/or influence a resolution.

## **Book-keeping and Financial Statements**

MS condemns any type of conduct designed to alter the accuracy and truthfulness of data and information contained in the Company's Financial Statements, reports or other corporate communications required by law and intended for members, shareholders, the public, Supervisory Authorities, the Board of Statutory Auditors and the Audit Firm. In order for the accounts to meet the principles of truthfulness, accuracy and transparency of recorded data, adequate and complete documents supporting the activities performed must be kept, so as to allow for:

- the accurate recording of each operation in the accounts;
- the immediate determination of the characteristics and grounds therefor;
- the simple and formal chronological reconstruction of the operation;
- the verification of the decision-making, authorisation and execution process, and the identification of the various levels of responsibility and control.

## **Relationships with Financial Authorities and compliance with tax legislation**

MS promotes a corporate culture based on compliance with tax regulations, ensuring their completeness and reliability and making sure they are known at all corporate levels so as to establish and maintain a collaborative, clear and transparent relationship with Financial Authorities.

MS and all its employees shall refrain from any activity or behaviour aimed at pursuing income tax or value added tax evasion in the interest of the company or of third parties and shall undertake to ensure that accounting records are duly kept and that the data recorded are transparent and complete.

## **Relations with Customs offices**

MS undertakes to behave in a cooperative and transparent manner with Customs offices. To this end, MS guarantees the issuance of accounting or tax documentation consistent with all import and export transactions carried out thereby. MS therefore prohibits the introduction, transport, possession or exchange of goods in violation of customs regulations or prohibitions in force.



# MICROELETTRICA

## **Financial flows and the fight against money laundering, self-laundering and receiving stolen goods**

MS condemns any form of money laundering, self-laundering or any conduct intended to hinder the identification of money, goods or other values of unlawful origin and undertakes to comply with all applicable anti-money laundering rules and provisions, whether they be national or international. MS promotes the adoption of all precautions required to check the reliability of operators with whom it has business dealings, as well as the lawful origin of the capital and means used by the latter in their dealings with MS.

## **Protection of the democratic order**

MS condemns any form of terrorist act or any act intended to subvert the democratic order and the principles of free political determination, and shall refrain from establishing any relationship with subjects involved in terrorist activities and from funding or facilitating their activities. To put in place any action that might represent or be connected with terrorist acts or acts intended to subvert the democratic order of the State, is expressly prohibited.

## **Condemnation of any form of criminal association**

MS condemns any form of national or international criminal association and shall refrain from establishing any relationship with subjects involved in criminal associations and from funding or facilitating their activities.

It is expressly prohibited to put in place any act that might represent or be connected with forms of criminal organisation, criminal associations, Mafia-type associations, associations for the smuggling of tobacco or for the illicit traffic in narcotic drugs and psychotropic substances, as well as illegal immigration, both at national and international level.

## **Communications to the outside world**

The communication to the outside world of data or information must be truthful, accurate, clear, transparent, respectful of personal honour and confidentiality, coordinated and consistent with corporate policies. Relationships with the media are reserved solely to the functions entrusted therewith.

## **Gifts and complimentary items**

The Company condemns any conduct, put in place by anyone, consisting in promising or offering, whether directly or indirectly, gifts and benefits to representatives of partner Companies and/or competitors, Italian and/or foreign Public Officials and/or Public Servants, or their relatives, which may result in an undue or illicit interest and/or benefit to the Company.



# MICROELETRICA



The Company's Collaborators may not ask, whether for themselves or others, for any gifts or other benefits, or accept the latter, unless they are of little value or otherwise are such as not to compromise the integrity or reputation of either party and cannot be regarded, by an impartial observer, as designed to obtain an undue benefit.

In any case, any gifts of little value are admitted only if there are previously authorised by the relevant function managers and must in any case be documented, thus allowing for all appropriate controls.

#### **Acts of generosity and donations**

Donations to charitable entities and institutions are admitted only if they are intended to obtain social benefits and to express MS's social and civil responsibility or for educational purposes. MS may decide to offer contributions and sponsorships to support initiatives proposed by public and private entities and by non-profit organisations, duly established, which promote the values that inspire this Code of Ethics, in accordance with the applicable rules.

#### **Trade shows**

The Company's participation in trade shows must be connected with the role performed by the Company and must be inspired to the principles of ethicality and inexpensiveness.

#### **Credit and dispute management**

The Company brings legal actions only when its legitimate expectations are not duly met by the other party. In any case, negotiations are conducted according to the principles of transparency and traceability, avoiding situations in which the subjects involved in the negotiations have or might appear to have a conflict of interest.



## Code of Conduct

## 7. RULES OF CONDUCT

### **The Group**

An essential principle for the Company is the pursuit of its business in accordance with current laws and regulations. The circulation of information and other communications within the Knorr-Bremse Group must always be in accordance with the principles of truthfulness, loyalty, fairness, accuracy, clarity, transparency, reasonableness, respecting the autonomy of each Company and its specific fields of business.

MS endeavours to ensure that intercompany communications include the exchange of information, objectives and strategic guidelines and are a fundamental element for the involvement and motivation of its staff.

### **Collaborators and Consultants**

People are crucial to the Company's existence. The dedication and professionalism of the Company's management and employees are essential values and conditions to pursue the objectives of MS.

The provisions, principles and obligations of this paragraph apply also to all the Company's Collaborators and consultants, including agency workers, contract workers as well as the staff and executives of other companies with whom common or coordinated activities are pursued, even concurrently. In particular:

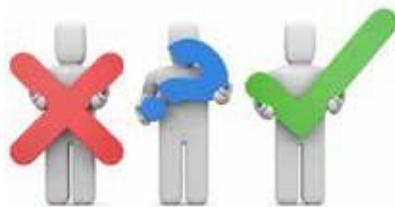
- the Company undertakes to ensure a collaborative work environment and to prevent any type of discriminatory conduct;
- all employees and collaborators must act loyalty and in good faith, acting in accordance with their contractual obligations and ensuring the services requested. They must also be familiar with and abide by the content of this Code of Ethics, shaping their conduct around respect, cooperation and mutual collaboration;
- staff selection is subject to controls as to the full correspondence of candidates with the professional profiles required by the Company, offering equal opportunities to candidates so that each of them receives an equal treatment based on their merits.



# MICROELETTRICA

The Company adopts appropriate measures to avoid any favouritism, nepotism or form of clientelism in staff selection and recruitment;

- staff are hired under regular employment contracts; in fact, the Company does not tolerate any form of undeclared work, child labour and illegal labour and the relationship with its staff is based on the principles of transparency and lawfulness;
- the Company prohibits any type of illegal labour brokerage and exploitation;
- the Company employs foreign workers only if they have a regular permit of stay or their permit has not expired, has not been revoked or annulled and its renewal has been applied for within the statutory deadline;
- in the performance of their duties, staff must act in accordance with the law and must ground their conduct and behaviour on the principles set out in this Code;
- the Company undertakes to comply with all laws and regulations on wages and ensures that all employees are adequately paid;



- the Company protects and respects freedom of opinion, association, assembly and collective bargaining of salaries;
- the Company offers equal career opportunities to its Collaborators and does not tolerate any form of discrimination or harassment;
- all Collaborators are required to respect the privacy of their colleagues;
- all Collaborators shall refrain from adopting any conduct or decision that can favour their interest, whether directly or indirectly.

### **Dealings with Customers and Suppliers**

All operations and transactions, intended in the broadest sense of the word and relating also to intercompany activities, must be in accordance with the principles of fairness, honesty and impartiality.

When dealing and negotiating with and when assuming contractual obligations toward its customers, suppliers and subcontractors, MS is guided by the principles of lawfulness, loyalty, fairness and efficiency and establishes therewith highly professional and mutually collaborative relationships. MS condemns any form of corruption, also with regard to private persons.



# MICROELETTRICA



Therefore, the Company ensures that:

- it acts in compliance with all administrative laws and regulations in the field;
- it does not prevent any suitably qualified company from competing in the process for the award of part of works or supplies;
- it avoids situations in which the subjects involved have or might appear to have a conflict of interest;
- it grounds its selection of suppliers, external collaborators and business partners on the principles of objectiveness, competence, transparency, fairness, quality of goods or services, in accordance with corporate policies;
- it selects suppliers and subcontractors and assesses their offers based on the quality and inexpensiveness of their services, on their technical-professional suitability, on their environmental respect and social commitment, according to the rules established in appropriate regulations and procedures;
- it conducts business negotiations according to transparency and fairness, making sure that:
  - the minimum requirements established for the selection of subjects offering (movable and immovable) goods and/or services which the Company intends to purchase, are rigorously complied with;
  - specific criteria for the assessment of offers are established;
  - all necessary information is requested and obtained as regards the business/professional reliability of customers, suppliers, subcontractors and partners.
- it prompts its suppliers' collaboration to constantly ensure that the Company's needs are met in terms of quality and delivery terms in accordance with freely established rules;
- it maintains an open and honest dialogue with its customers and suppliers, in line with good business practices;
- it does not disclose information which, pursuant to the Company's decision or based on agreements with the customer and the supplier, is to be kept confidential.

In this respect, MS establishes appropriate behavioural rules so as to avoid benefits being given or simply being offered to directors, general managers, executives in charge of drafting corporate accounts, auditors, Audit Firms, liquidators or subjects under their direction or surveillance, related to third party Companies (private) in order to induce them not to comply with their duties deriving from their offices, thereby damaging their Company.



# MICROELETTRICA

## **Dealings with agents and distributors**

All dealings and agreements with agents and distributors must be formalised in writing in accordance with the Company's and the Group's procedures.

Agents and distributors must be selected according to standards and principles of loyalty, inexpensiveness, transparency, professionalism, integrity and impartiality, in compliance with the Group's due diligence processes. MS condemns any form of corruption, also with regard to private persons.

MS's employees must have an open dialogue with agents and distributors, in line with the best business practices and applying contractual conditions.

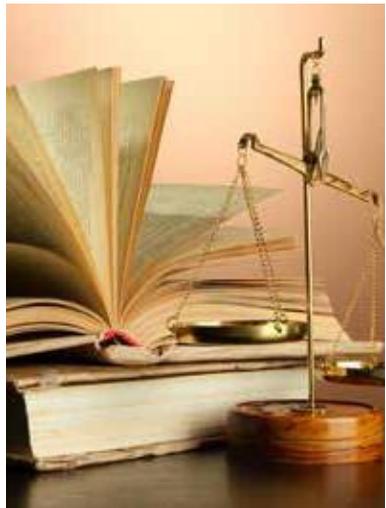
The remuneration of agents and distributors must be proportionate to their services. In addition, it is forbidden:

- to receive services and make payments to collaborators, consultants or other subjects which are not duly justified in the context of the contractual relationship established therewith and for the type of services to be supplied;
- in the selection process, to unduly favour third parties indicated by representatives of the Public Administration;
- to establish relationships with agents or distributors in case of an interest, even a non-pecuniary or indirect interest, in their activities.

## **Dealings with the Authorities and the Public Administration - Integrity and independence in dealings**

To ensure utmost clarity in any dealings with the Public Administration, aimed at overseeing the Company's overall interests and connected with the implementation of its programmes, such dealings are established solely via representatives expressly authorised by the Company's bodies, who do not have any conflict of interest in relation to the representatives of the institutions themselves.

Specifically, all dealings with public employees must be in accordance with the principles and provisions of the codes of conduct established for public administration employees and of current regulations for public employees. The employees of MS and all external collaborators whose actions can be referred to MS, must deal with the Public Administration in a fair, transparent and traceable manner.





# MICROELETTRICA

## **Dealings with Supervisory Authorities**

MS undertakes to fully and strictly abide by the rules imposed by Supervisory Authorities to ensure compliance with current rules in the sectors related to their activity, offering the utmost collaboration and transparency. Specifically, the recipients of the Code of Ethics may not deny, conceal or delay any information requested by the Authorities for their inspections and must actively collaborate in the course of any visits and/or inspections.

## **Business negotiations**

MS condemns any form of corruption with respect to public or private subjects.

In the course of any business negotiation, request or dealing with the Italian and/or foreign Public Administration, it is forbidden to engage in any conduct that is intended to unlawfully influence the decisions of Public Officials or Public Servants in order to obtain an undue or illicit profit or benefit to the Company.

By way of example, in the course of a business negotiation, request or dealing with Public Officials and/or Public Servants, whether they be Italian or foreign, the following actions cannot be taken, whether directly or indirectly:

- to take into account or offer - in any way - employment and/or business opportunities that might benefit Public Officials and/or Public Servants or their relatives and relatives in law;
- to offer complimentary items;
- to solicit or obtain confidential information that might compromise the integrity or reputation of either party;
- to engage in any act designed to induce Italian or foreign Public Officials to act or omit an act in such a way as to violate the rules of the legal system they belong to;
- to abuse one's position or powers to induce or force someone else to unduly promise money or other benefits to him/herself or others.

The rules of conduct referred to above apply also to business negotiations with private persons.

## **Loans, contributions and subsidies**

It is forbidden to use any contributions, subsidies or loans granted by the State or another Public Entity or by the European Community for purposes other than those for which they were granted.

The Company condemns any conduct that is intended to obtain from the State, the European Community or another national and foreign Public Entity, any type of contribution, loan, loan at preferential conditions or any other payment, by making statements and/or producing false or forged documents, or omitting information or, more generally, using expedients or schemes, including with computer or telematic means, designed to mislead the granting entity.

People who have been delegated functions or duties must pay special attention to any confidential information which they become aware of as well as to the meticulous recording and reporting of any document or paper prepared thereby and/or transmitted to the Public Administration and to Public Entities in general.



# MICROELETTRICA



## **Dealings with associations, trade unions and political parties**

MS does not grant any loans, contributions, advantages or other benefits, whether directly or indirectly, to political parties, single candidates, movements, committees, associations, organisations and Public Administrations or trade unions or their representatives, whether in Italy or abroad, unless these are in accordance with the applicable rules and in full transparency and in compliance with the Company's applicable internal procedures.

## **Involvement in Court proceedings**

Where MS is involved in Court proceedings, it undertakes to act fairly, in compliance with the law, the provisions of this Code of Ethics and of internal procedures, also to avoid any possible damages to its image.

Specifically, in the course of any Court proceedings which the Company is involved in, employees, members of corporate bodies and collaborators shall refrain from:

promising/giving to a Public Official (e.g. a judge, court clerk or another official), for himself or a third party, an undue pecuniary retribution or another benefit in return for an act required by his office, so as to obtain a benefit to the Company in the proceedings or make him omit/delay an act required by his office or make him engage in an act that is contrary to his duties so as to obtain a benefit to the Company in the proceedings;

- misleading the State/another public entity with expedients or schemes, so as to obtain a benefit to the Company in the proceedings;
- altering (in any way) the operation of a computer/telematic system or intervening (without being entitled to do so and in any way) on data, information, programmes contained in or pertaining to a computer/telematic system in order to obtain a benefit to the Company in the proceedings;
- inducing a person called to make declarations before a Court which may be used in a criminal case, not to make such declarations or to make false declarations, with violence or threats or offering or promising money or another benefit.



**MICROELETTRICA**



## **8. COMPLIANCE WITH DISQUALIFICATIONS**

MS pays attention to conveying ethical principles to its employees and collaborators, which must guide their actions also where the Company has been involved in a Court case and has been held liable under Legislative Decree 231/ 2001.

Therefore the Company condemns any type of act or

omission put in place by subjects engaged (in various capacities) in the conduct of its business, which is such as to cause the violation of obligations deriving from any disqualification imposed upon the entity following the establishment of its administrative liability. These ethical principles should inspire all the activities of MS, even where carried out through distributors, agents, contractors, subcontractors, consultants or business partners, consortia and joint ventures,

which promote the provisions of the Code of Ethics for the matters pertaining thereto.

Under no circumstances can a person's belief to be acting to the Company's benefit justify conduct that is in contrast with the principles enshrined in this Code of Ethics.



## 9. COMMUNICATIONS AND TRAINING

The Code of Ethics is brought to the knowledge of its Recipients and of the parties concerned, whether internal or external to the Company, through appropriate communications. Specifically, MS suitably informs third parties of the commitments and obligations laid down in the Code of Ethics and expects them to comply with the principles that pertain directly to their business, adopting

appropriate internal and/or external initiatives in case of their non-compliance therewith.

Within the Company, the staff's suitable knowledge and understanding of the Code of Ethics is ensured through information and training programmes, defined according to the rules laid down by the Company's Organisation, Management and Control Model, of which

the Code of Ethics is an integral part. All employees are required to consult their direct manager in case of any doubt as to the interpretation or application of the rules of conduct contained in the Code of Ethics.





## 10. CONTROL AND MONITORING

### THE SUPERVISORY BOARD

The Code of Ethics is a general and mandatory principle of the Organisation, Management and Control Model under Legislative Decree 231/2001 adopted by the Company. The entity in charge of overseeing the correct and accurate application of the Model as well as compliance with the principles of this Code, is the Supervisory Board.

In the performance of its functions, the Supervisory Board has free access to any corporate data and information that is useful to its activities.

### REPORTING

All corporate bodies and their members, employees, consultants, collaborators and third parties acting on the Company's behalf are required to promptly report to the Supervisory Board any violation of or inducement to violate statutory or regulatory provisions, any irregularity or negligence in

book-keeping, in the storage of the corresponding documents and any requests in case of doubts as to the appropriateness of specific conduct, whether their own or of others.

All communications to the Supervisory Board must be made preferably in a non-anonymous way and may be sent by all the Company's interlocutors to: **[odv@microelettrica.com](mailto:odv@microelettrica.com)**

Reports are managed and kept by the Supervisory Board in accordance with the applicable rules.



The Company undertakes to protect any informant reporting in good faith any alleged or clear violation of the Code of Ethics, against any intimidation or retaliation, punishing the relevant guilty party with the disciplinary actions applicable from time to time. All communications to the Supervisory Board must be made preferably in a non-anonymous way and may be sent by all the Company's interlocutors to: **[odv@microelettrica.com](mailto:odv@microelettrica.com)**

Reports are managed and kept by the Supervisory Board in accordance with the applicable rules. The Company undertakes to protect any informant reporting in good faith any alleged or clear violation of the Code of Ethics, against any intimidation or retaliation, punishing the relevant guilty party with the disciplinary actions applicable from time to time.

### DISCIPLINARY MEASURES

Compliance with the provisions of the Code of Ethics is an essential part of the Company's contractual obligations. The failure to comply with the principles set out in this Code might result in the application of sanctions in accordance with current rules, with the applicable C.C.N.L.s and the Disciplinary System, which is an integral part of the Model and which reference is hereby made to.

Any infringements by third parties shall be punished in accordance with the criteria indicated in the specific contractual clauses envisaged therefor.

MS undertakes to ensure compliance with this Code of Ethics also by accurately applying the sanctions laid down in the disciplinary system of the Company's Organisation, Management and Control Model and the Disciplinary System established by the applicable C.C.N.L.s and the corresponding contracts entered into with the relevant counterparties.