

CODE OF ETHICS

3F INGRANAGGI s.r.l.

APPROVED WITH RESOLUTION OF THE
BOARD OF DIRECTORS ON 20/12/2016

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1 INTRODUCTION

The Company 3F INGRANAGGI S.p.A. is aware that unethical behaviour in the conduct of business compromises the reputation of the Company itself and hinders the pursuit of its corporate mission, which is to ensure continuity and safety at work for its shareholders, employees and collaborators, and to satisfy the needs of customers and stakeholders in a market in which the principles of capability, legitimacy and propriety prevail.

This Code of Ethics, approved by the Board of Directors, outlines the ethical commitments and responsibilities with which the conduct of directors, shareholders, managers, employees and collaborators of the Company must comply.

2 PRINCIPLES OF THE CODE OF ETHICS

2.1 GENERAL PRINCIPLES

1. The Company bases its activities on the principles contained in this Code of Ethics and shall not undertake or pursue any relationship with any person that does not agree with its content and spirit or that violates its principles and rules of conduct.

2. The Company's directors, shareholders, managers, employees and collaborators are all required to abide by this Code of Ethics and any updated version thereof, which will be distributed as widely as possible.

2.2 PRINCIPLE OF LEGALITY

4. An essential principle of the Company is the respect for the laws and regulations in force in all the countries in which it operates. All the activities must therefore be carried out in compliance with the legislation and standards in force as well as with the principles and procedures put in place for this purpose.

5. The Company requires its shareholders, directors, managers, employees and anyone who for any reason acts as a representative, including de facto representatives, to comply with the legislation and standards in force, as well as with the principles and procedures put in place for this purpose.

6. The Company undertakes to adopt appropriate measures to ensure that the requirement to comply with the legislation and standards in force, as well as with the principles and procedures put in place for this purpose, is adopted and fulfilled by shareholders, directors, and employees as well as consultants, suppliers, customer and any other subject with which the Company has dealings.

7. The Company may contribute to financing political parties, committees, political organisations or candidates provided it does so in compliance with the laws and regulations in force.

2.3 RELATIONS WITH THE PUBLIC ADMINISTRATION

8. Company bodies and their members, shareholders, employees, consultants and collaborators, legal representatives and in general any third parties who act on behalf of the Company in dealings with the Italian Public Administration, the European Union or Third Countries, must not behave in a way that could induce the Public Administration to violate the principles of impartiality and sound administration to which it is bound.

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Contact with the Italian Public Administration, the European Union and/or Third Countries is restricted to those who have been specifically and formally appointed by the Company to negotiate or have contact with said administrations, public officials, bodies, organisations and/or other institutions.

9. The Company condemns any conduct by any person that consists in promising or offering, directly or indirectly, money or any other benefit to public officials and/or Italian, European Union and/or Third Country public service representatives in order to unduly or unlawfully benefit the Company.

10. Persons appointed by the Company to conduct any business negotiations, submit applications or have any dealings with the Italian Public Administration, the European Union and/or Third Countries may not for any reason conduct themselves in a way that could unlawfully influence the decisions of public officials and/or public service representatives who make decisions on behalf of the Italian P.A., the European Union and/or Third Countries, with a view to gaining an undue or unlawful profit or advantage for the Company.

11. It is forbidden to use any grants, contributions, subsidies or loans obtained from the State or other public body or from the European Communities for any other purpose than that intended, regardless of the value and/or amount involved.

12. The Company condemns any conduct aimed at obtaining from the State, the European Union or any other public body, any type of contribution, financing, subsidised loan, or other similar types of funding, though the use of falsified or altered documents and/or statements, the omission of information or through any other fraudulent means, including those involving the use of information and communication technologies, aimed at misleading the funding provider.

13. The Company may not allow itself to be represented in its dealings with Italian Public Administration, the European Union, or third parties when, based on the information available, there is a possible conflict of interests.

2.4 ORGANISATION

14. Every operation and/or transaction, understood in the widest possible sense of the term, must be lawful, authorised, consistent, appropriate, documented, recorded, and verifiable at any time.

15. Shareholders, employees and other subjects that acquire goods and/or services, including external advisory services, on behalf of the Company, must act in accordance with the principles of propriety, cost effectiveness, quality and lawfulness and exercise the necessary due diligence.

16. Personnel to be employed are assessed based on the correspondence of their candidate profiles and their specific skills with the needs and expectations of the Company, as indicated by the specification submitted by the requesting function, respecting the equal opportunities of all the interested parties.

The information requested is strictly for the purposes of verifying those aspects envisaged in the professional, psychological and attitudinal profile, and respects the candidate's privacy and opinions.

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17. The Company undertakes to ensure that company and individual objectives established each year for shareholders, directors, employees and collaborators that work for the Company relate to goals that are specific, measurable, achievable, realistic and time-based (i.e. commensurate with the time available to achieve them).

18. Each company function is responsible for the veracity, authenticity and originality of the documentation and information produced in performing their duties.

2.5 PROPER ADMINISTRATION

19. The Company pursues its corporate mission in accordance with the law, the company by-laws and business regulations, ensuring the proper operation of the company bodies and protection of the equity and investment rights of its shareholders, safeguarding the integrity of the share capital and assets.

20. The Company condemns any conduct by any person that seeks to alter the accuracy and veracity of the data and information contained in the financial statements, reports or in other corporate communications to shareholders and the public required by law.

21. The Company requires Directors, shareholders, department managers and employees to conduct themselves with propriety and transparency in the performance of their duties, particularly in relation to any request of the Board of Directors, other company bodies or any audit firms in the course of performing their respective institutional duties.

22. It is forbidden for any of the Company Directors to voluntarily behave in a way that could cause harm to the integrity of the company's assets.

23. The Directors must not perform any type of company transaction or operation that could cause harm to creditors.

24. It is forbidden to perform any deceptive or fraudulent act intended to influence the will of members of the shareholders' assembly in order to improperly obtain a majority and/or resolution different to that which would otherwise have been obtained.

25. It is forbidden to intentionally disclose false information, whether internally or externally, concerning the Company, its shareholders, employees, collaborators and third parties working for the Company, fully knowing said information to be false.

26. Company bodies and their members, shareholders, employees must cooperate fully when inspections and audits are carried out by the competent public authorities, without hindering in any way the work of the inspection and audit bodies.

2.6 HUMAN RIGHTS AND LABOUR RIGHTS

27. The Company condemns any behaviour that is detrimental to individuals or to the physical, cultural and moral integrity of those persons with whom it has dealings, and it undertakes to oppose any such behaviour, including the use of undeclared workers

28. The Company condemns the use of child labour and therefore undertakes to not use or support this type of labour

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29. The Company condemns the use of “forced labour” and therefore undertakes to not use or support this type of labour

30. The Company is committed to ensuring a safe and healthy workplace

31. The Company is committed to respecting the rights of workers to form trade unions

32. The Company is committed to avoiding any form of discrimination

33. The Company undertakes to not use or support disciplinary practices such as corporal punishment, physical and mental coercion and verbal abuse

34. The Company undertakes to comply with the working hours stipulated by law and the national and local labour agreements

35. The Company undertakes to pay its employees in accordance with the national collective labour agreement and the supplementary company agreement

36. The Company undertakes to respect the privacy of its employees and collaborators by adopting procedures for the processing and storage of personal and sensitive data that comply with the legislation in force and that are guaranteed to be effective

2.7 SAFETY AND THE ENVIRONMENT (SUSTAINABILITY)

37. The Company undertakes to satisfy the legitimate expectations of its stakeholders with whom it intends to promote a dialogue aimed at improving understanding of their needs

38. The Company is committed to environmental protection and its objectives include the continuous improvement and/or monitoring of its own environmental performance.

To this end, its commitments include:

- compliance with national and European Union legislation concerning the environment
- preventing environmental pollution
- raising awareness among shareholders, employees and collaborators of environmental issues

39. The Company undertakes to promote health and safety at work in the pursuit of its goal to continuously improve its performance in relation to safety.

To this end, its commitments include:

- compliance with national and European Union legislation concerning occupational health and safety
- raising awareness and training shareholders, employees and collaborators so that, in the performance of their duties, they ensure compliance in all cases with national and European Union legislation on occupational health and safety and adopt the appropriate measures to minimize the risks related to said activities

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In particular, the decisions made by the Company at any operational level are based on the fundamental principles taken from European Directive 89/391 concerning occupational health and safety, which are as follows:

- a) avoid risks;
- b) assess risks that cannot be avoided;
- c) tackle risks at the source;
- d) adapt the job to the person, in particular with regard to workplace design and the choice of work equipment and production methods;
- e) take into account the level of technical development;
- f) replace anything dangerous with something less dangerous;
- g) plan a prevention strategy, aiming in particular for a coherent set of measures that incorporate technology, work organization, corporate relations and the influence of work environment factors;
- h) prioritise collective over individual protection measures;
- i) provide workers with adequate instructions.

2.8 MARKET TRANSPARENCY

40. The Company competes fairly on the market in compliance with competition rules.

41. The Company, its directors, shareholders and employees must, upon a legitimate request, provide complete, correct, adequate and timely information both outside and inside of the Company, preferably in written form.

42. The members of the Board of Directors, the directors, shareholders, managers, employees and collaborators who, as part of their duties have access to inside information that is able to influence the value of listed financial instruments (price sensitive information), must not exploit said information for their own interests and must not do anything to encourage insider trading (abuse of privileged information and/or market manipulation by disclosing for no reason said information within or outside of the Company).

2.9 FIGHT AGAINST TERRORISM AND CRIME

43. The Company condemns any activity that implies the falsification, counterfeiting, or alteration of money, public credit instruments and revenue stamps and/or the spending of said falsified, counterfeit or altered instruments. To this end, its directors, shareholders, managers, employees and collaborators are required to comply with and apply the relative Italian and European Union legislation and to be vigilant in order to prevent the possession, use or spending of such instruments, even in good faith. They are also required to report any situation that could be related to offences of this type to the authorities.

44. The Company condemns any activity that implies the recycling (i.e. the acceptance or processing) of the proceeds of crime in any form or manner. To this end, its directors, shareholders, managers, employees and collaborators are

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required to comply with and apply the Italian and European Union anti-money laundering legislation and to report any situation that could be related to offences of this type to the authorities.

45. The Company profoundly believes in democratic values and condemns any activity conducted for the purposes of terrorism or to subvert the democratic order. To this end, its directors, shareholders, managers, employees and collaborators are required to comply with and apply the Italian and European Union anti-terrorism legislation and to report any situation that could be related to offences of this type to the authorities.

3 VIOLATIONS OF THE CODE OF ETHICS

Violations committed by directors, shareholders, managers, employees and collaborators of the Company are subject a disciplinary system provided for by the Crime Prevention Model approved by the Board of Directors.

4 PROCEDURES FOR APPROVING THE CODE OF ETHICS

In order to allow for greater flexibility in adapting the document to changing circumstances during administration of the Crime Prevention Model pursuant to DLgs (Italian Legislative Decree) 231/2001, or to guarantee a more timely adjustment to new requirements arising following amendments to DLgs 231/2001, the procedure for amending and approving the Company's Code of Ethics is as follows:

- The Supervisory Body will periodically review the Code of Ethics with particular regard to requirements arising from any legislative changes, and will propose any amendments and additions to the same deemed necessary;
- The Board of Directors will examine the proposals of the Supervisory Body and, if it agrees with them, will approve the Code of Ethics as amended, which will therefore become immediately effective for the Company;
- The Organisation, Management and Control Model and the related annexes is kept on file at the Office of the Managing Director and is available for consultation by the Company bodies and personnel of other authorised bodies.
- The controlled copy of the Code of Ethics is kept on file at the Office of the Managing Director.

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Carrè (VI), __/__/2016

SIGNED:

_____ – Managing Director

_____ – Director

_____ – Director