

INSIT INDUSTRIA S.p.A.

ETHICS CODE

Contents

1. Introduction.	2
2. Principles of conduct for the organisation.	4
3. Compliance with laws and regulations.	5
4. Principles of conduct for the personnel.	9
5. Criteria of conduct for the organisation.....	11
6. Personnel duties.	17
7. Relations with third parties.	21
8. Mechanisms used for the application of the Ethics Code.	26
9. Final regulations.....	29

Approved by the Board of Directors on 28 March 2019

1. Introduction.

INSIT was founded in 1955 in Montà (Cn - Cuneo) by Senator Ing. Luigi Burgo as a cork production company. Under the leadership of its founder, new types of production were initiated: wooden floors with bonded cork, expanded cork for insulation but, above all, fabric-backed gaskets for the automobile industry, then replaced by cork rubber gaskets specially-designed and implemented for use in new-generation engines. In the 1960's, the production of gaskets underwent considerable evolution, moving on from the previous "Suberplast" gaskets ("Suberplast" is a compound made of cork and synthetic rubber). In 1965, half of the turnover generated by production came from cork rubber gaskets and half from cork thermo-acoustic insulators. Only in 1974 did Insit Industria S.p.A. start to produce technical rubber articles which will then become, as the years pass, the real strength of the company. In 1989, the company carries out the project for the first thermoplastic elastomer headset for CV joints moulded with injection extrusion/blow moulding technology. The start of the 1990's sees the beginning of the serial production which will then develop ever increasingly, also with new products, to the point that it is now so important that it accounts for about half of the company turnover. At the start of the 2000's, the production of cork rubber articles was abandoned definitively.

The objectives of the company include continuous improvement of the quality standards of the service offered and the products created, aiming to meet the needs and requirements of clients, man and the environment, creating strong relationships and bonds with suppliers and partners alike.

The position recognised in its sector spurs Insit Industria S.p.A. on to be a constant point of reference, making its know-how available at a national and international level.

As well as complying with the current laws and regulations in all the countries it operates in within the execution of its activities, the company also intends to observe high ethical standards within its day-to-day operations: these standards and the principles which inspire them are brought together within this Ethics Code.

The Code is an instrument which implements the rules of conduct dictated by the legislator: simple compliance with the law, albeit fundamental, is often not in itself sufficient for Insit Industria S.p.A., which expects that all the company decisions and the conduct of its personnel are based on ethical rules, also when no such rules have been enshrined in law.

The term personnel means all of the people who work within the company or for the company: all employees, directors and partners.

The Code expresses the ethical responsibilities and undertakings committed to by those who, in various ways, are involved in the realisation of the objectives of Insit Industria S.p.A. in relation to the capital holders, employees, partners, external consultants, suppliers, clients and others who are defined overall with the term ‘stakeholder’, as the holders of the interests related to the company activity.

Every person working at Insit Industria S.p.A. must always act in accordance with the regulations contained in this Ethics Code.

Particular attention is required of the so-called “senior” personnel and of the members of the Supervisory Board, who have the duty of monitoring and supervising the operating of the Code and of updating it. These parties must guarantee that the principles adopted are constantly applied and must maintain conduct which is an example to the employees and partners.

The Code is available to the clients, suppliers and other third parties who interact with Insit Industria S.p.A. To be specific, it is brought to the attention of third parties who are assigned tasks by the company or who have lasting relations with the company, inviting them formally to comply with its principles and criteria of conduct.

Within the internal audit system, the Ethics Code is, in accordance with articles 6 and 7 of Italian Legislative Decree no. 231/2001 and the “Guidelines for the construction of organisation, management and control systems in accordance with Italian Legislative Decree 231/2001” (edition updated to March 2014) issued by the Confindustria Federation, the premise behind and reference for the Organisation, Management and Control System (hereinafter, the “System”) and the sanction system stated therein.

2. Principles of conduct for the organisation.

The principles listed herein are considered to be fundamental so Insit Industria S.p.A. undertakes to comply with them in relation to all parties. On the other hand, the Company expects that these principles are complied with by all internal and external parties who have relations of any kind with the company itself.

3. Compliance with laws and regulations.

Insit Industria S.p.A. operates in total compliance with the law and does all it can to ensure that all the personnel does likewise: the personnel must always act in a manner which complies with the law, whatever the context, activities and countries within which they operate. This undertaking must also apply to the consultants, suppliers, clients and anyone else holding relations with the company.

The Company will not start and will not continue any relations with parties who do not intend to comply with this principle.

3.1. Conduct integrity.

Insit Industria S.p.A. undertakes to create and supply products and/or services of quality and to compete on the market in accordance with principles of fair and free competition and transparency, maintaining appropriate relations with public, Government and administrative institutions, with citizens and with third party companies and businesses. Everyone is obliged to operate, in any situation, with integrity, transparency, coherence and fairness, carrying out all business relations honestly.

3.2 Rejection of all discrimination.

Within the decisions which influence the relations with its stakeholders (choice of clients, relations with the holders of the capital, personnel management and work organisation, supplier selection and management, relations with the local community and with the institutions which represent it), Insit Industria S.p.A. avoids all discrimination based on the age, gender, health, race, nationality, political opinion and religious beliefs of those it deals with.

3.3. Enhancement of the human resources.

Insit Industria S.p.A. recognises that the human resources are an extremely important factor for its development and, as a result, guarantees a safe and secure work environment which facilitates the execution of one's work and enhances the professional aptitudes of each and all. The work environment, inspired by respect, fairness and partnership, must permit the involvement and empowerment of the personnel, with regard to the specific objectives to be reached and the methods for pursuing them.

The management of the human resources is founded on respect for the personality and professionalism of each individual, guaranteeing their physical and moral wellbeing: the personnel must always act in a manner which is respectful of the parties they come into contact with, on behalf of the Company, treating each and all fairly and with dignity. The Company rejects all forms of forced labour or work carried out by people below the age of *sixteen*, and will not tolerate violations of human rights.

3.4. Fair authority.

Within the management and handling of the contractual relations which involve the creation of hierarchical relations, Insit Industria S.p.A. undertakes to make sure that the authority is exercised fairly and in an appropriate manner and that all forms of abuse are avoided. To be specific, the company guarantees that the authority does not become exercising of power which harms the dignity and autonomy of people.

These values must be safeguarded in all cases within the choices made with regard to the organisation of work.

3.5. Protection of health, safety and the environment.

Insit Industria S.p.A. intends to carry out its activities and make its investments in accordance with current standards and regulations pertaining to the health and safety of workers, as stated in Section 5.

Insit Industria S.p.A. intends to carry out its activities and make its investments in a socially responsible manner and a sustainable manner from the environmental point of view. The Company also works to guarantee complete and exhaustive communications with the community, making sure it disseminates correct and truthful information about its activities.

3.6. Avoidance of unethical conduct.

Conduct on the part of anyone, an individual or organisation, which attempts to appropriate benefits from partnership with others, exploiting positions of strength, is not ethical and favours the assumption of hostile attitudes in relation to Insit Industria S.p.A.

3.7. Fairness in the contractual sphere.

The contracts and work assignments must be executed as established consciously by the parties: Insit Industria S.p.A. undertakes to not exploit conditions of ignorance or incapacity in relation to its counterparts.

It must also be avoided that, within the relations in place, anyone operating in the name of and on behalf of the Company tries to profit from contractual omissions, or unforeseen events, to renegotiate the contract for the sole purpose of exploiting the position of dependency or weakness of the counterpart.

3.8. Protection of competition.

Insit Industria S.p.A. intends to protect the value of fair competitor, abstaining from collusive and predatory conduct and abuse of position. All the parties operating with the company, therefore, may not take part in agreements which clash with the rules governing free competition between businesses or which clash with the Italian Civil Code or with Italian Law 287/1990 and subsequent modifications and integrations.

3.9. Supporting investment in Insit Industria S.p.A.

The company does what it can so that the economic/financial results safeguard and increase the value of its capital, also in order to adequately remunerate the risk which the holders of its capital take on.

Insit Industria S.p.A. also creates the best conditions so that the participation of the holders of the capital in the decisions for which they are responsible is conscious: for these purposes, it promotes parity of information and protection of the general interests of all the holders of the capital against action taken by individuals to have their own particular interests prevail.

3.10. Information transparency and completeness.

Insit Industria S.p.A. is obliged to provide complete, transparent, comprehensible and accurate information so that, in structuring their relations with the Company, the stakeholders are able to make autonomous decisions in full awareness of the interests involved, the alternatives and the significant consequences.

To be specific, within the formulation and preparation of the contractual texts, the Company make sure to specify to the contract party the conduct to be held within all the circumstances foreseen in a clear and comprehensible manner.

3.11. *Protection of personal data.*

Insit Industria S.p.A. collects and processes the personal data of the holders of the capital, partners, employees, clients and other parties, both individuals and legal entities. The Company undertakes to process this data within the limits of and in accordance with what is stated by current privacy standards and regulations, with specific reference to Italian Legislative Decree 196/2003 and subsequent modifications and integrations.

The Company personnel which, within its work, has to process data, sensitive or not, must always comply with these standards and regulations and the operating instructions provided in relation to this by the Company itself.

4. Principles of conduct for the personnel.

The personnel, employees, directors and partners must comply with the principles listed here within their conduct in relation to Insit Industria S.p.A.

4.1 Professionalism.

Each person carries out his/her work and provides his/her services in a diligent, efficient and correct manner, using the instruments and time available as best he/she can, and taking on the responsibilities related to such obligations.

4.2 Loyalty.

The personnel must be loyal to the Company.

4.3 Honesty.

Within their work, the Insit Industria S.p.A. personnel must be familiar and diligently comply with the Organisation System of which this Ethics Code is an integral part and with current law. In no case may the pursuit of the interest of the Company justify dishonest conduct. The Company prepares the appropriate instruments for adequately informing the personnel if there are any doubts about how to proceed.

4.4 Fairness.

The personnel does not use for its own ends information, assets and equipment it disposes of within the execution of the functions or tasks assigned.

Each person may not accept or make, for themselves or for others, pressure, recommendations or indications which may cause harm to Insit Industria S.p.A. or create undue advantage for themselves, for the Company or for third parties. Each person rejects, and does not make, promises of undue offers of money or other benefits.

4.5 Privacy & Confidentiality.

The Company personnel guarantees maximum confidentiality with respect to news and information constituting the company assets or relating to the activities of Insit Industria S.p.A., in accordance with the law, current regulations and the internal procedures.

4.6 Resolution of conflicts of interest.

Within its work, the personnel pursues the general interests and objectives of Insit Industria S.p.A.

Every worker informs his/her superiors or references without delay about situations or activities which might involve an interest which clashes with the interest of the Company and in all other cases in which there are significant reasons of convenience.

5. Criteria of conduct for the organisation.

5.1 Personnel selection.

The assessment of the personnel to be hired is made on the basis of the correspondence of the profiles of the candidates with the expected profiles and the company requirements, in accordance with equal opportunities for all the parties involved.

The information required is strictly related to the assessment of the aspects required by the professional and psychometric profile, with total respect for the private life and opinions of the candidates.

Within the selection activity, the Personnel function adopts appropriate measures to prevent favouritism and incentives of all kinds.

5.2 Creation of the working relationship.

The personnel is employed with regular work contracts; no forms of irregular work are tolerated.

When the working relationship is created, the person receives accurate information on the following:

- the features and characteristics of the function and duties to be carried out and the skill level/position;
- statutory and remuneration elements;
- standards and procedures to be adopted, in order to prevent possible health risks associated to the work.

This information is presented to the person with methods whereby the acceptance of the role is based on an actual understanding of the content of the information.

5.3 Personnel management.

People are the main resource of Insit Industria S.p.A. For this reason, the Company pays special attention to the enhancement of individuals and the professional growth of personnel, on a strictly meritocratic basis.

Insit Industria S.p.A. undertakes to protect the moral integrity of the personnel, guaranteeing the right to work conditions which respect their dignity. Everyone must be treated with the

same respect and dignity and has the right to the same professional development and career opportunities.

The Company avoids all forms of discrimination in relation to its personnel.

Within both the personnel management and development processes and the selection stage, the decisions made are based on the correspondence between the expected profiles and the profiles of the personnel (for example, within promotions or transfers) and/or merit-based considerations (e.g. assigning of the incentives on the basis of the results obtained).

Access to roles and positions takes place on the basis of the skills and abilities. In addition, in accordance with the general work efficiency, forms of flexibility are favoured within the organisation of the work which facilitate persons on parental leave and those who take care of their children.

The assessment of the personnel is carried out in an extended manner, involving the managers, the Personnel function and, as far as possible, the parties who have had relations with the person being examined.

5.4 Integrity and protection of the person.

Insit Industria S.p.A. safeguards the workers in relation to acts of psychological violence and combats any discriminatory attitude and/or conduct which might disturb people's sensitivities. The Company undertakes not to exercise any type of discrimination or harassment in relation to its personnel. The achievement of the individual objectives and targets must be assessed fairly, by establishing criteria which are clearly stated, to be used to assess the abilities of the personnel and their contribution; the results obtained must be adequately recognised.

All the personnel, within their activities and relations, are obliged to comply with these principles and to work with Insit Industria S.p.A. to protect them. Any reports of discrimination must be forwarded immediately to one's manager and to the Human Resources Manager, without fearing retaliation of any kind.

A person who feels he/she has been subject to harassment, or that he/she has been discriminated against for reasons related to age, sexuality, race, health, nationality, political opinion, religious belief, etc. may also refer the matter to the Supervisory Board, as well as to his/her hierarchical reference.

Insit Industria S.p.A. does not tolerate any act of discrimination or harassment: anyone who is involved in such acts will be subject to disciplinary sanctions, which might also include dismissal.

Unequal treatment is only not considered to be discrimination if justified, or justifiable, on the basis of objective criteria.

5.5 Dissemination of the personnel policies.

The personnel management policies are made available to all the personnel, through the company tools and instruments: these include the 'Integrated Environment, Quality and Security System' alongside the organisational documents and the communications prepared by the Human Resources Manager.

5.6 Resource enhancement and training.

The managers fully utilise, bring the best out of and enhance all the professional skills available within the structure, by activating the tools and instruments available to favour the development and growth of people: for example, duty rotation, expert personnel coaching, experiences aiming at coverage of roles with greater responsibility.

Within this context, the communication by the managers of people's strengths and weaknesses is especially important, so that the personnel can improve their skills, also by means of targeted training.

Insit Industria S.p.A. provides the personnel with informational and training tools and instruments, with the objective of enhancing the specific skills and retaining the professional value of the personnel.

Training is assigned to groups or to individuals, on the basis of specific professional development requirements.

The Company also provides institutional training, performed at certain moments of the person's time at the Company (for example, new recruits are introduced to the Company activities), and the operating personnel receive recurrent training, also through specific external courses.

5.7 Personnel work time management.

Each manager must make the most of people's work time, by asking for services which are coherent with the exercising of their tasks and duties and with the work organisation plans.

It is an abuse of a position of authority to request, as a non-discretionary act, from one's hierarchical superior, services, personal favours or any conduct which constitutes an infringement of this Ethics Code.

5.8 Involvement of people/personnel.

The involvement of the personnel within the execution of the work is guaranteed also by ensuring opportunities for involvement in discussions and decisions pertaining to the achievement of the company objectives and targets.

The personnel must take part in these opportunities with a spirit of partnership and independent judgement.

Listening to the various points of view, in accordance with the company requirements, allows the managers to make the final decisions. The personnel must, however, always be involved in the implementation of the activities established.

5.9 Work organisation changes.

When the work is reorganised, the value of the human resources is safeguarded by the creation, as necessary, of professional redevelopment and/or training operations and initiatives.

Insit Industria S.p.A., then, complies with the following criteria:

- the burdens of the work reorganisation must be distributed as uniformly as possible among all the personnel, in accordance with the effective and efficient exercising of the activity;
- in the case of new or unforeseen events, which must in any case be made explicit, the person may be assigned to different roles than the previous ones, making sure his/her professional skills are safeguarded.

5.10 Health and safety.

Insit Industria S.p.A. undertakes to offer a working environment which can protect the health and safety of its personnel, disseminating and consolidating a culture of safety, developing an awareness of the risks and promoting responsible conduct on the part of all the personnel. The Company also operates to preserve the health and safety of the workers, above all with preventive action.

The objective of Insit Industria S.p.A. is to protect the human resources, constantly looking for the synergies required not just internally, but also with the suppliers, businesses and clients involved in the Company activities. All the personnel must comply with the internal standards and procedures for the prevention of risks and the protection of health and safety, and must indicate any omissions or issues or failure to comply with the applicable standards and regulations in good time.

Insit Industria S.p.A. adopts the general work health and safety protection measures stated by laws and regulations, with particular reference to the content of art. 2087 of the Italian Civil Code and Italian Legislative Decree 81/2008 and subsequent modifications and integrations:

- a) assessment of all health and safety risks;
- b) prevention planning, targeted at a system which integrates, in a manner coherent with the prevention, the Company technical/production conditions and the influence of the work organisation and environment factors;
- c) elimination of the risks and, when this is not possible, their reduction to a minimum in relation to the know-how acquired on the basis of technical progress;
- d) compliance with ergonomic principles within the organisation of the work, the conception of the working positions, the choice of the equipment and the definition of the work and production methods, especially in order to reduce the effects of monotonous and repetitive work on one's health;
- e) reduction of risks at source;
- f) replacement of what is dangerous with what is not, or is less dangerous;
- g) limitation to a minimum of the number of workers who are, or who may be, exposed to the risk;
- h) use limited to what is necessary for the execution of one's activities of chemical, physical and biological agents in the workplace;
- i) worker health checks;
- j) removal of the worker from exposure to the risk for health reasons pertaining to his/her person and allocation, where possible, to another task;
- k) adequate information and training for workers;
- l) adequate information and training for health and safety managers;
- m) adequate information and training for executives and supervisors;
- n) adequate information and training for the workers' representatives for health and safety;
- o) adequate instructions for the workers;
- p) participation and consultation of the workers;
- q) participation and consultation of the workers' representatives for health and safety;
- r) planning of the measures considered to be appropriate for guaranteeing improvement of the safety levels over time, also by adopting codes of conduct and good practices;

- s) emergency measures to be implemented pertaining to first aid, fire prevention, worker evacuation and grave and immediate danger;
- t) use of warning and safety signs and notices;
- u) regular maintenance of environments, equipment and plant, with particular regard to the safety devices in accordance with the indications of the manufacturers.

5.11 Protection of privacy.

Within the processing of the personal data of its employees, Insit S.p.A. complies with the regulations in Italian Legislative Decree 196/2003 and subsequent modifications and integrations, containing the Personal Data Protection Code.

The personnel are given a Privacy Information Note which identifies the following: the processing purposes and methods, any parties to whom the data is communicated, and information necessary for exercising the access right stated by article 13 of Italian Legislative Decree 196/2003. In the cases required by the regulations, the personnel are asked for their consent for the processing of their personal data.

Any survey into the ideas, preferences, personal tastes and, in general, the private lives of the employees and partners is not permitted.

6. Personnel duties.

The personnel must act loyally, in order to comply with the obligations subscribed to within the work contract and what is stated by the Ethics Code, guaranteeing the services requested.

6.1 Diligence of the worker.

Compliance with the standards of this Code must be considered to be an essential part of the contractual obligations of the Company employees in accordance with art. 2104 of the Italian Civil Code, which states that *“the worker must use the diligence required by the nature of the service due, the interest of the business and the superior interest of national production. The worker must also comply with the regulations for the execution and the management of the work provided by the entrepreneur and by the entrepreneur’s partners he reports to in hierarchical terms”*.

The principles and the content of this Code are illustrative specifications of the obligations of diligence, loyalty and impartiality which constitute compliance with the work requirements and the general conduct required of employees in relation to Insit Industria S.p.A.

6.2 Information management.

The personnel must be familiar with and implement what is stated by the Company policies on the security of information, in order to make sure the information is complete, confidential and available.

They are obliged to draw up their own documents using clear, objective and exhaustive language, and to permit checking by colleagues, managers or external parties authorised to request that.

6.3 Privacy & confidentiality of the Company information.

Company information and know-how must be protected with maximum privacy and confidentiality. The most significant data which Insit Industria S.p.A. acquires or creates within its activities will be considered to be private and confidential information and subject to adequate attention: this also includes information acquired from and/or relating to third parties (clients, professional contacts, professional partners, employees, etc.).

The personnel who within their duties obtain private and confidential information, materials or documents must inform their direct superiors about this.

It is the responsibility of the “senior” personnel to process and disseminate the information with adequate means, in accordance with the company principles. The personnel not expressly authorised to answer queries or to provide materials requested by the internal or external counterparts must consult with their superiors and comply with the instructions provided accordingly.

If it is necessary to deal with significant, confidential or economic subject matters, one must first get the counterpart to sign a privacy & confidentiality undertaking, drawn up in accordance with the Company standards or, alternatively, adopt the measures required in relation to the nature of the elements dealt with.

Both during and after the termination of the employment relationship with Insit Industria S.p.A., the personnel may only use the private and confidential data in their possession in the interest of the Company and never for their own benefit or for the benefit of third parties.

6.4 Private and confidential information about third parties.

The Insit Industria S.p.A. personnel must not use unlawful means to acquire private and confidential information about third party businesses and institutes. Those who, within the context of a contractual relationship, obtain private and confidential information about other parties must only make use of it for the purposes stated in the contract in question.

Without the due authorisation, the personnel may not ask for, receive or use private and confidential information about third parties. If they obtain private and confidential information on behalf of another party, which is not already subject to a non-disclosure agreement or other form of protection, they must consult with their manager in order to receive assistance with the handling and processing of this information.

6.5 Conflict of interests.

All Insit Industria S.p.A. personnel must avoid situations in which conflicts of interest may arise and must not benefit personally from business opportunities they have learned of within the execution of their functions.

No party which has relations with a company person must be able to benefit improperly as a result of its relationship with that person.

By way of examples which are not exhaustive, the following situations may lead to a conflict of interests:

- personal exercising an activity which competes with the activities of Insit Industria S.p.A., also through family members;
- exercising of a top-level function (CEO, Director, Department Manager) and, at the same time, having economic interests with suppliers, clients or competitors (for example, owning shares in competitor companies, professional engagements, etc.), also through family members;
- managing the relations with the suppliers and, at the same time, working for these suppliers, also through a family member;
- accepting money or favours from people or companies who have or intend to create business relations with the Company.

If even the appearance of a conflict of interest arises, the person must inform his/her manager about this; the manager, as per the stated methods, informs the Company Department, which assesses if there actually is a conflict of interest case by case.

The person must also provide information about the activities carried out outside the work sphere, if these activities might appear to be in a situation where there is a conflict of interests with Insit Industria S.p.A.

6.6 Unlawful payments, free gifts, business expenses.

The Insit Industria S.p.A. personnel may not accept or receive any gift, bonus or other free gift which has a monetary rather than a symbolic value from suppliers, clients or other parties with whom a professional relationship is in place.

To be specific, the personnel must not accept gifts and services which might influence the action to be taken within the execution of their work duties. The personnel will also do what they can to inform the commercial partners of Insit Industria S.p.A. that they cannot accept gifts or other benefits. The above cannot be avoided by making use of third parties. The Insit Industria S.p.A. personnel who receive free gifts or benefits other than those permitted in such cases must inform the Company Department indicated by the established procedures about that; this Function assesses if it is appropriate and informs the sender of the Insit Industria S.p.A. policy.

6.7 Use of the company assets.

Every person must operate diligently to protect the company assets, with responsible conduct in line with the operating procedures set up for regulating their use, documenting their use precisely.

To be specific, each person must:

- use the assets which have been assigned to him/her scrupulously and parsimoniously;
- avoid improper use of the company assets which may be the cause of damage or loss of efficiency or which in any case clashes with the interest of the Company;
- adequately protect the resources assigned and inform the appropriate units in good time about any threats or harmful events for Insit Industria S.p.A.

With regard to the IT applications, each person must:

- scrupulously adopt the indications of the Company security policies, in order to not compromise the functionality and the protection of the IT systems;
- abstain from sending threatening or abusive email messages, from using scurrilous language or from making inappropriate comments which may offend people and/or harm the Company image;
- abstain from navigating on Internet sites with unseemly and offensive content and, in any case, which does not relate to the professional activities.

Insit Industria S.p.A. reserves the right to prevent inappropriate use of its assets and infrastructure, by means of the use of accounting systems, reporting systems, financial control systems and risk analysis and prevention systems, notwithstanding compliance with current laws (Privacy Law, Workers' Statute, etc.).

6.8 Participation in antisocial and criminal activity.

Insit Industria S.p.A. strongly denounces antisocial and criminal processes and activities and states its clear and strong intention to have no part in such processes and activities.

The Company personnel may not have relations of any kind with organisations and elements involved in antisocial and criminal activities which threaten the Company, in the broad sense. In relation to extortion requests by antisocial and criminal parties, the personnel will refuse all compromise and will abstain from making payments or other such services. Instead, they will inform their managers immediately so that the necessary consultations can be held with the Management team of Insit Industria S.p.A. on the subsequent action to be taken.

7. Relations with third parties.

7.1 Contracts and communications to the clients.

The Insit Industria S.p.A. contracts and communications to the clients must be:

- clear and simple, formulated with a language which is as close as possible to that normally adopted by the counterparts;
- compliant with current standards and regulations, so that they do not constitute avoidance or, in any case, incorrect practices;
- complete, so that no significant element is overlooked, for the purposes of the decision of the client;
- based on rules of fairness.

7.2 Personnel style of conduct with clients.

The style of conduct of the Insit Industria S.p.A. personnel in relation to the clients is marked out by helpfulness, respect and courtesy, within a context of reciprocal assistance and major professionalism.

7.3 Selection of suppliers.

The purchase processes must be based on the search for the maximum competitive advantage for Insit Industria S.p.A., the granting of equal opportunities to suppliers, fairness and impartiality. The selection of the suppliers and the establishing of the purchase conditions are based on an objective assessment of the quality and the price of the good or service, as well as of the assistance and time guarantees.

Insit Industria S.p.A. undertakes to prepare all the procedures and actions required to guarantee the maximum efficiency and transparency of the purchase process, in order to:

- not deprive anyone meeting the requirements of the possibility of competing for the stipulation of contracts;
- adopt objective and documentable criteria within the choice of the list of candidates;
- guarantee sufficient competition within the supplier selection procedures, e.g. by considering at least three businesses within the selection;
- implement a separation of roles within the various stages of the overall purchase process, also maintaining the traceability of and documentation for the choices made.

Insit Industria S.p.A. in any case reserves the right to ask the suppliers for certification of the following requirements:

- availability, documented accordingly, of means, including financial means, organisational structures, design and planning capacities and resources, know-how, etc.;
- existence and actual implementation of adequate company quality systems, when the Company specifications require this.

7.4 Relations with the holders of the Insit Industria S.p.A. capital.

7.4.1 Accounting transparency.

In order to ensure accounting information transparency and completeness, the documentation of the facts to be reported in the accounts backing up the details must be clear, complete, correct and archived for possible future checking. The related accounting details must reflect what is described in the support documentation and must specify the criteria adopted within the determination of economic elements based on correct assessments and valuations.

7.4.2 Protection of the Company equity.

The resources available must be used, in accordance with current law, the Company By-Laws and the Ethics Code, to develop and strengthen the Company equity, to protect the Company itself, the holders of the capital, the employees, the creditors and the market.

To guarantee the integrity of the capital, it is prohibited, outside of the cases in which the law expressly permits this, to return the contributions in any form or release the shareholders from the obligation to make them, to distribute profits not actually obtained or destined for a reserve in accordance with the law.

7.4.3 Relations with the Public Authorities.

The term Public Authority means any person, party or counterpart which may be classified as a public official or public service employee operating on behalf of the central or local Public Authorities, or Public Supervisory Authorities, independent authorities, EU institutions and private partners assigned a public service.

7.4.4 Fairness and honesty.

Insit Industria S.p.A. intends to hold relations with the Public Authorities with totally transparent and ethical conduct. These relations, which must comply with current regulations

and standards, are based on general principles of fairness and honesty in order to not compromise the integrity of both parties.

The personnel must abstain from any conduct which might harm or condition the impartiality and autonomy of the judgment of the Public Authorities.

In carrying out the operations with and in holding the relations with the Public Authorities, the personnel must guarantee the maximum transparency and traceability of the significant information.

Particular caution must be observed within the operations pertaining to tender procedures, contracts, authorisations, concessions, licences and financing requests at a public (State, Region or EU) level.

If the Company requires the use of the professional services of Public Authority employees, in their capacity as consultants, current standards and regulations must be complied with.

If, in accordance with current law, parties apparently external to the Company may be related in any way to Insit Industria S.p.A., the principles contained in this Code should also be extended to them.

Insit Industria S.p.A. must not in any case be represented, within the relations with the Public Authorities, by a *third party* consultant or subject when conflicts of interest might be created.

7.4.5 Presents, free gifts and benefits.

No Insit Industria S.p.A. person may bestow money or offer economic benefits or other types of benefits to Public Authority subjects in order to obtain engagements or other advantages, personal or for the Company.

No form of present is permitted which may be interpreted as exceeding normal commercial practices or courtesy, or which in any case aim to acquire favourable treatment within the execution of any activity related to Insit Industria S.p.A. To be specific, no form of present is allowed for Italian and foreign public functionaries, or their family members, which may influence their independence of judgement for the purpose of obtaining more favourable treatment or undue services or advantages or various kinds. Present means any type of benefit: not just objects, then, but also, for example, free participation at conventions, the promise of a job offer, etc.

The above cannot be avoided by making use of third parties. With regard to this, in fact, not just unlawful payments made directly by the institutes, or by their employees, are considered to

be corruption, but also unlawful payments made through people acting on behalf of these institutes, both in Italy and abroad.

Insit Industria S.p.A. abstains from hiring, as employees or as consultants, ex-employees of the Public Authorities, or their relatives, who have taken part personally and actively in business negotiations, or who have contributed to the backing of requests made by the Company to the Public Authorities, for a period of at least two years from the time of the conclusion of the business deal, or from the ending of the request by Insit Industria S.p.A.

In any case, Insit Industria S.p.A. abstains from practices not permitted by the law, by commercial practices or by the Ethics Codes of the companies and the institutes with whom it has relations.

If an Insit Industria S.p.A. person receives, from a member of a Public Authority, explicit or implicit requests for benefits, notwithstanding the case of free gifts of commercial use and modest value, he/she informs his hierarchical superior immediately or the party he/she has to report to, so that the appropriate action can be adopted.

7.5 Relations with groups.

7.5.1 Economic relations with political parties, trade union organisations and associations.

Insit Industria S.p.A. reserves the right to finance, within the limits of the amounts permitted by the law, political parties, both in Italy and abroad, their representatives or candidates, and reserves the right to sponsor congresses or festivals which have the exclusive purpose of political propaganda, within the limits of the amounts permitted by the law.

The Company will not permit any direct or indirect pressure from political exponents: for example, it does not accept suggestions and indications for employment and does not stipulate consulting contracts with similar ends.

Insit Industria S.p.A. does not make contributions to organisations with whom a conflict of interests may be identified (for example, trade unions). It is, however, possible to cooperate, also financially, with these organisations for specific projects, if the following conditions are complied with:

- clear and documented destination of the resources;
- express authorisation from the relevant functions within the Company.

7.5.2 Contributions and sponsorship.

Insit Industria S.p.A. may accept requests for contributions limited to the proposals originating from institutes and associations which are openly not for profit, with regular By-Laws and articles or association which have a major cultural value or benefit or which involve a large number of citizens.

The sponsorship activities, which may relate to social, environmental, sporting, entertainment and art themes, may only relate to events which offer quality guarantees or for which the Company may collaborate in the planning, in order to guarantee their originality and efficacy. Within the choice of the proposals to accept, Insit Industria S.p.A. pays particular attention to all possible conflicts of interests of a personal or company order: for example, family relations with the parties involved or links with organisms which might, as a result of their tasks and duties, in some way favour the activity of the Company.

7.6 Dissemination of information; external communications.

Insit Industria S.p.A. communications with its stakeholders are marked by respect for the right to information; in no case may false or biased news or comments be disclosed.

All communications respect the laws, regulations and practices of professional conduct and are made with clarity and transparency and in good time.

8. Mechanisms used for the application of the Ethics Code.

8.1 Dissemination and communication.

Insit Industria S.p.A. undertakes to disseminate the Ethics Code, using all the communications means and the opportunities available such as, for example, the personnel information and training meetings.

All the personnel must be in possession of the Ethics Code, be familiar with its content and observe its regulations.

To ensure the Code is understood correctly, the Management prepares and implement, also on the basis of the indications of the Supervisory Board, a training plan which aims to favour familiarity with the ethics principles and standards. The training initiatives are differentiated in accordance with the roles and responsibilities of the personnel.

The Supervisory Board and the Company Management are available for all clarifications and explanations required in relation to the Ethics Code.

It is everyone's responsibility, especially the responsibility of the Management, to include the content of the Code in the training programs and to refer to it within all the company procedures, policies and guidelines.

8.2 Monitoring of the implementation of the Ethics Code.

The task of checking the implementation and application of the Ethics Code falls upon:

- Senior Insit Industria S.p.A. figures;
- the Board of Directors;
- the Supervisory Board: this Board, as well as monitoring the compliance with the Ethics Code (for these purposes, having access to all the Company information Sources), suggests the appropriate Code updates, also on the basis of the indications received from the personnel.

The Supervisory Board has the following tasks and duties:

- informing the Management, so that it can take the appropriate measures, of the indications received in relation to infringements of the Ethics Code;
- expressing binding opinions in relation to the revision of the most significant policies and procedures, in order to guarantee they are in line with the Ethics Code;

- contributing to the regular reviewing of the Ethics Code: for these purposes, the Supervisory Board formulates the appropriate proposals for the Board of Directors, which assesses them and, possibly, approves them and formalises them.

8.3 Indicating of problems or suspected infringements.

Anyone who becomes aware or is reasonably convinced of the existence of an infringement of this Code, of a given law or of the Company procedures is duty-bound to inform his/her manager and/or the Supervisory Board immediately.

The indication must be made in writing. Insit Industria S.p.A. implements the required measures to protect the whistle-blowers against all type of retaliation, understood as an act which might give rise to forms of discrimination or penalisation (for example, interruption of the relations with partners, suppliers and consultants, employees being denied promotions, etc.). For these reasons, the confidentiality of the identity of the whistle-blower is guaranteed, notwithstanding the legal obligations.

The Supervisory Board is responsible for investigating possible infringements of the Ethics Code. It may, if required, speak to the whistle-blower, and the party responsible for the alleged infringement: the personnel must collaborate fully with any internal investigations.

After these activities are carried out, the Supervisory Board will inform the Management of the conduct which requires the application of possible disciplinary sanctions or the activation of contract termination mechanisms.

8.4 Disciplinary measures following infringements.

The regulations of this Code are an integral part of the contractual obligations taken on by the personnel, and by the parties who have business relations with Insit Industria S.p.A.

Infringement of the principles and rules of conduct indicated in the Ethics Code compromises the relationship of trust between the Company and the authors of the infringement, be they directors, employees, consultants, partners, clients or suppliers.

The infringements will be dealt with by Insit Industria S.p.A. in the following terms:

- with regard to the employees, through adequate disciplinary measures, regardless of any criminal significance for the conduct and the starting of criminal proceedings, when the conduct constitutes an offence. To be specific, the sanctions will comply with the rules and the logic of the work contract applied and the Workers' Statute. The disciplinary measures range from reprimands to warnings to suspensions without remuneration and, in the most serious

cases, to dismissals. Before a disciplinary measure is applied, the party involved is given the opportunity to explain his/her conduct;

- with regard to consultants, partners, clients and suppliers, specific methods for the termination of the contractual relationship will be activated.

This also notwithstanding possible compensation for damages which Insit Industria S.p.A. might incur as a result of the infringement by these parties of the regulations in the Ethics Code.

8.5 Operating procedures and decisional protocols.

All the Company actions and operations must be adequately recorded and it must be possible to check the operation decision, authorisation and execution process.

For every operation, there must be adequate document support in order to be able, at any time, to carry out checks which ascertain the characteristics of and reasons for the operation and identify those who authorised, carried out, recorded and checked the operation itself.

9. Final regulations.

This Ethics Code was approved by the Insit Industria S.p.A. Board of Directors on 30/03/2016.

Every variation of and/or integration to this Ethics Code will be approved by the Board of Directors, after consulting with the Supervisory Board, and disseminated in good time to the recipients.