

PASTORE & LOMBARDI S.P.A.

CODE of CONDUCT

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1. FOREWORD

The Code of conduct adopted by Pastore & Lombardi S.p.A. (hereinafter also the “**Corporation**”):

- enumerates a set of ethical principles shaping rights, duties and responsibilities in the relations within the Corporation as well as vis-à-vis all those subjects with whom the Corporation entertains relations while pursuing its business purpose (customers, suppliers, employees and/or free lances, shareholders, representatives of institutions); said principles are aimed at ruling the conduct of their addressees (as defined under point 2.2 of this document), also in the view to avoid that, as a breach of applicable laws, crimes are committed;
- prescribes reference ethical standards as well as rules of conduct to inspire the enterprise’s decision-making processes as well as the conduct of the Corporation and of those acting on its behalf;
- obliges all addresses to maintain a consistent conduct, i.e. a conduct which is not – not even in spirit – in conflict with the ethical principles of the enterprise;
- is material part of a system of crime prevention, as per Legislative Decree 231/2001.

2. IMPLEMENTING MODALITIES

2.1 ADOPTION and UPDATING.

The present Code of conduct, originally adopted by way of resolution of the Board of Directors of the Corporation on January 24, 2011, can be subsequently amended and integrated, consistently with changes occurring within or outside the Corporation as well as based on the experience achieved by the Corporation as time goes by.

Whatever action/initiative on this Code of conduct is the sole competence of the Board of Directors.

2.2 ADDRESSEES

The present Code of conduct binds the shareholders, the members of corporate bodies, the managers, the employees, and all those that – even if external to the Corporation – do act, directly or indirectly, in the name and/or on behalf of the Corporation itself (hereinafter, collectively, the “Addressees”).

Therefore, the Addressees are obliged to respect the principles set out in the Code of conduct and to make sure– within their respective area of responsibility – that such principles are respected. In no event, the claim to act in the interest of the Corporation is to justify conducts which are in conflict with those prescribed herein.

Moreover, compliance with the Code of conduct is to be considered as a material part of contractual obligations of Corporation’s employees as per articles 2014 ff. of the *[Italian]* civil code.

3. PRINCIPLES AND VALUES.

All conducts by Addressees in carrying on assignments and functions falling under their tasks and responsibility or in their relations with the Corporation must be respectful of all laws in force. Moreover, such conducts should be inspired by the highest integrity, honesty, correctness, transparency, confidentiality, fairness, objectiveness and by respect towards individuals and by responsibility in a cautious use of corporate, environmental and social resources.

Everyone, in the scope of the responsibilities relating to his/her ranking, is to act with the maximum professionalism so to adequately meet the requirements by customers and internal users.

It is mandatory for everybody to commit to his/her assignment, by actually contributing to the pursuit of business objectives and to the respect of the recalled values.

The development of a sense of belonging to the Corporation and the improvement of its business image are common goals, must be constantly guiding everyone's behaviours.

Namely, to respect the values of **integrity, honesty and correctness** means – among others – that the Corporation is committed to respect internal rules and/or all legislation in force, expecting the same by the staff, internal and external collaborators, customers, suppliers, and whatever third party entertaining legal relations, whether formalized or not, with the Corporation.

The respect of the principles of **transparency** and **confidentiality** means that the Corporation is committed to disclose information which is true, complete, transparent and understandable, so that the Addressees are aware when making decisions on the relations to entertain with the Corporation or anyway entailing an involvement of the same; it means, moreover, that the Corporation is committed to the protection of confidential data and information pertaining to Pastore & Lombardi or third parties, to which employees and/or collaborators of the Corporation have access, while carrying out his/her tasks for the Corporation.

To respect the principles of **fairness** and **objectiveness** means that the Corporation avoids all sorts of abuse while granting respect for all subjects involved in business processes, with a special focus on psycho-physical integrity and moral dignity of individuals. To such aim, the Corporation protects and promotes the value of its human resources.

Lastly, the respect of the value of **responsibility** means that Pastore & Lombardi operates its business pursuant to the principles of a healthy and prudent management, in order to be, within the limits set by market conditions, creditworthy, reliable, transparent, innovation welcoming, interpreter of the customers' evolving requirements, interested to the best development and employment of its human resources and to the most efficient business organization. All the preceding, by way of protecting its reputation and company net worth, striving for compatibility between economic initiative and environmental protection, not only consistently with existing regulations but also taking into account applicable best practices.

4. RULES of CONDUCT

4.1 DEALING WITH PUBLIC ADMINISTRATION

To the aims of this Code of conduct, "Public Administration" means whatever administration at State,

local or super-national level, as well as whatever public entity, agency or independent administrative authority and articulations thereof, as well as whatever physical or legal person acting as public official or being entrusted with a public service.

Moreover, based on the present Code of conduct, the definition of public entity includes all legal persons, even of the types established by the civil code, which – due to prominent political or economic reasons - fulfil a function which is public in nature and aimed at protecting general interests.

The Corporation establishes communication channels with all interlocutors in Public Administration (by way of mere example, Customs, Inland Revenue Agency).

Specifically, commitments towards the Public Administration are to be assumed solely by responsible and authorized business functions; such functions shall carry out their tasks with integrity, independence, and correctness. Relations must be inspired by the highest level of cooperation, avoiding at all times to prevent institutional activities and preserving the proper scope of reciprocal independence, avoiding whatever action that may be conducted as an attempt to improperly influence the adoption of decisions.

In the relations with Public Administration the Addressees are forbidden to promise or offer to Public Officials or to Entrusted of Public Service or, more in general, to public administration employees (hereinafter, collectively, “Public Officers”) gifts (not only sums of money but also goods), benefits or other advantages (hereinafter, collectively, “gifts”) to promote or favour the interest of the Corporation in the making of commitments and/or management of whatever sort of relations with the Public Administration (e.g., in the event of inspections, assessments, or in judicial proceedings).

Specifically, the following is prohibited:

- To offer gifts to the mentioned subjects, even in the occasion of festivities or special events, save for those gifts of a symbolic value which are directly ascribable to customary relations of commercial courtesy and, in any case, of a kind not triggering in the counterparty or in an independent and impartial third party, the feeling those are aimed at granting or securing the Corporation with improper advantages, or triggering anyhow an impression of illegality or immorality;
- To examine or instrumentally offer employment opportunities to Public Administration employees (or their relatives or in-laws) and/or whatever commercial opportunity that could unduly advantage them;
- To make entertainment expenses which are not justified or not contractually contemplated, and with purposes other than the promotion of the enterprise image;
- To disclose or commit to disclose, to urge or to obtain information and/or documents of a confidential nature or of a kind to affect the integrity or reputation of one or both parties;
- To favour, in purchasing processes, suppliers and sub-suppliers only due to the fact they have been recommended by Public Officials as conditions for the subsequent performance of the activity;
- To deliberately exhibit false or altered documents, to subtract or omit documents, to omit due information, with the aim of unduly orienting Public Administration decisions to its

own favour;

- To have a misleading conduct suitable to cause errors by the Public Administration in the technical-economic evaluation of products and services being offered/supplied, or unduly influence the decision by the Public Administration;
- To use or file declarations or documents which are false or attesting events which are not true or to omit information which are due, with the purpose of achieving in an improper manner contributions, financing, subsidized loans or other alike grants by the State, the European Communities or other public entities (hereinafter, collectively, “public financing”).

Contributions, grants, public subsidized loans to the Corporation are to be applied for and, if any, obtained in a correct manner but also used in carrying on activities or initiatives in relation of which those have been granted.

In both periodical communications and notices and in reports of a specific nature, the Corporation guarantees the completeness and integrity of provided information as well as objectiveness of evaluations, striving for a timely completion of the tasks it is entrusted with.

Whoever person receiving explicit or implicit requests or proposal of benefit of whatever nature by Public Officials or by Entrusted of Public Service shall immediately:

- Suspend each and all relations with the mentioned subjects;
- Report to his/her direct supervisor and inform in writing the surveillance body (hereinafter, also, “S.B.” o “body”).

No third party is to represent Pastore & Lombardi vis-à-vis the Public Administration when a conflict of interest may arise.

4.2 ADMINISTRATION AND ACCOUNTING

Each and all transactions and settlement entered into by the Corporation is to be duly recorded, authorized, verifiable, legitimate, coherent, and convenient. All transactions by the Corporation must be adequately recorded and it must be possible to verify the decision making process, from adoption to implementation. Each transaction is to be evidenced by adequate documentation, even in electronic format; this to make sure it is possible at any time to carry out checks to attest the features and reasons of the transaction, also spotting who has authorized, made, recorded, and verified the transaction itself.

The financial statements of the Corporation totally conform to the general principles of a truthful and correct description of the patrimonial, economic, and financial situation in compliance with general and special rules in force. The entering in the financial statement of valuation-based items is to be made unconditionally respecting civil law prescriptions as well as generally accepted standards.

4.3 RELATIONS WITH COLLABORATORS AND PARTNERS

Pastore & Lombardi acknowledges the importance of the contribution that its external Collaborators and industrial, commercial, and financial partners may give in the achievement of its business goals as well as to the own image of Pastore & Lombardi.

Thus, the selection of both external Collaborators and Partners is dependent on an objective and transparent evaluation and is made based on their professional/entrepreneurial reliability, on their reputation and on the circumstance they solely engage in licit activities, under the guidance of ethical principles similar to those of Pastore & Lombardi.

The highest, mutual correctness shall shape the relations with Collaborators and Partners.

No performance of whatever type is to me made to the benefit of Collaborators and Partners where such a performance is not adequately grounded in the existing relations with the mentioned subjects.

4.4 CORPORATE AFFAIRS

Within the scope of their responsibilities, the directors, the statutory auditors, the shareholders, the general managers and all employees of the Corporation are obliged, based on their respective assignment, to respect the principles of correct management consistently with law provisions on so called white-collar crimes. Specifically, the following is expressly prohibited:

- To impede or obstruct, through whatever conduct, control or auditing activities legally entrusted to shareholders, other corporate bodies, and auditing firm;
- To implement a conduct which is simulated or fraudulent, to create a majority within the shareholders' meeting with a view of securing to own self or to others an unjust profit;
- To divulge false information or to implement whatever artifice suitable to provoke a material fluctuation in the price of not publicly traded financial instruments or for which no application has been filed for trading on a regulated market, or suitable to impact on the reliance of the financial stability of banks or banking groups;
- With the aim of impeding the exercise of surveillance, to declare to surveillance public authorities, in the communication prescribed by the law, material facts which are not true on the economic and financial conditions of the Corporation, or to conceal by way of other fraudulent means facts to be communicated. It is not possible to deliberately obstruct, in whatever way, the exercise of the functions of such authorities, also by omitting the prescribed communications to the mentioned public surveillance authorities;
- Save where permitted by the law, it is prohibited to purchase or subscribe shares or company quotas, even if issued by the parent company, causing harm to the integrity of corporate capital or of the reserves which – based on the law – are not to be distributed;
- To pursue, in violation of provisions of laws for creditors protection, capital decreases, mergers or splits, thus causing harm to the creditors themselves;
- To distribute profits or advances on profits actually not achieved or to be mandatorily booked into a reserve, or to distribute reserves - even if not established out of profits - that cannot be distributed based on the law;
- Save where the capital decrease is permitted by the law, to return - also through simulation - contributions to the shareholders or to exempt the same from the obligations of making contributions;
- To distribute profits or accounts thereon when such profits have not actually been made

- or are to be booked – pursuant to the law- into a reserve; to distribute reserve, even if not established out of profits, where the distribution thereof is prevented by the law;
- To artificially establish or increase the capital of the Corporation by allotting shares or company quotas for an amount lower than their value, mutual subscription of shares or company quotas, material overestimation of in-kind contributions or contributions of credits, or of the net worth of the Corporation in the event of conversion.

4.5 GRANTS AND SPONSORSHIPS

Pastore & Lombardi can accept application requests for grants from entities and associations that are expressly no profit organizations, having a proper and lawful deed of association consistent with applicable requirements, and pursuing strong cultural or beneficial values, with the involvement of a material number of citizens.

Sponsorships may refer to social, environmental, sportive, artistic, or show-business issues. Sponsorships shall be limited to quality events or to events where the Corporation can take part in the planning/organization, so to guarantee their authenticity and effectiveness.

4.6 INDIVIDUAL INTEGRITY AND DIGNITY

Pastore & Lombardi deems the respect of the integrity and dignity of whatever human being as a primary value, to be strongly and decidedly safeguarded.

Therefore, the Corporation is committed to protect the moral integrity of employees and collaborators and to avoid discriminations of any kind towards any of them, granting the right to working conditions respectful of human dignity and the laws on workmanship. Specifically, the Corporation unreservedly condemns each and all exploitation of people in state of need and/or subjugation, and/or the sexual exploitation of those underage, with no regard to modalities thereof.

Within the Corporation, whatever conduct towards employees and collaborators amounting to moral or sexual harassment, psychological violence, mobbing and to straining¹ shall be firmly prohibited, regardless the author identity.

4.7 RELATIONS WITH POLITICIANS AND TRADE UNIONS

Relations with representatives of political organizations and trade unions are reserved to the competent/authorized corporate functions.

The participation, in a personal capacity, of the Addressees to political organizations shall take place outside working hours and without any link to the tasks within the Corporation.

The Corporation shall not support demonstrations or initiatives with merely political purposes; it shall abstain, moreover, to make whatever direct or indirect pressure towards politicians. The Corporation does not allow direct or indirect contributions, whether in cash, in kind or other form, to political parties, movements, committees, political organizations, trade unions,

¹ Jurisprudence qualified straining as one or few hostile actions triggering long-lasting negative effects towards a subject in an inferiority position.

representatives thereof, nor to associations with whom a conflict of interest might be identified.

4.8 ORGANISED CRIME, SEDITION AND TERRORISM

The Corporation acknowledges the outstanding value of principles as democracy and free political determination, which are founding values of the State. The Corporation shall carry on its activities avoiding to entertain relations of whatever type with subjects whose honesty is in doubt or with reference to whom an evidence or suspect exists of their affiliation to mafia-type or, more in general, criminal organizations. It shall remain totally away from the Corporation whatever conduct linked in any way to terroristic activities or subversion of democratic order of the State.

4.9 RELATIONS WITH THE JUDICIARY

Pastore & Lombardi respects the Judiciary and its functions. As far as any procedure involving the Corporation is concerned, the Corporation demands that the Addressees, within their own assignments in the Corporation, behave correctly and in a fully cooperative manner with those exercising judicial functions, condemning all attempts to make or to induce to make false or reluctant declarations.

4.10 USE OF INFORMATION AND TELEMATIC SYSTEMS

The Addressees shall use Pastore & Lombardi's information system solely for business purposes.

The Corporation condemns whatever information/telematics illicit action, accomplished in its own interest or advantage. Specifically, the Corporation requires to the Addressees, while carrying on their tasks in the Corporation, to avoid the following:

- The abusive access to information/telematics systems
- Interception, impeding, or illicit interruption of information/telematics communications
- Damaging information, data, and information programs, especially where used by the State, other public entity or entity with a public utility purposes
- The abusive detention and disclosure of codes for system access
- The damaging or interruption of an information/telematics system
- Falseness of a public electronic document or with probative effectiveness as well as IT fraud in the certification of electronic signatures.

4.11 HEALTH AND SAFETY AT WORK

Pastore & Lombardi pursues its business with a special focus on the health and safety at work of its staff as well as of third parties acting under its responsibility for such issues. The Corporation fully respects the laws in force and also timely conforms to amendments thereto.

The responsibility of each Addressee towards his/her collaborators and colleagues requires the highest care in preventing the risk of accidents. Each Addressee, therefore, is to pay the maximum level of attention while performing his/her assignments, strictly respecting all existing safety and prevention rules, so to avoid whatever possible risk for him/herself, colleagues, and third parties.

Specifically, the Addressees must comply with instructions and directives established by those

entrusted by the Corporation with the fulfilment of obligations relating to health and safety at work.

4.12 PROTECTION OF THE ENVIRONMENT

Pastore & Lombardi values the environment as a prime asset to be safeguarded; the Corporation plans its activity striving to balance economic initiative and the paramount need of environmental protection. The Corporation is committed to always act by correctly applying E.U. and State legislations and regulations in force, in any case with a view to limit the impact of its activities on the environment.

4.13 RECEIVING, LAUNDERING AND SELF-LAUNDERING OF MONEY OR OTHER ASSETS

Whatever transaction is prohibited, whether domestic, transnational, or international, which – even minimally – involves, directly or indirectly, Pastore & Lombardi in the receiving, laundering, use of money, goods, and other assets of an illicit origin. In such perspective, all available information on commercial counterparties and consultants are to be subject to prior check so to ascertain their moral integrity, their responsibility and the lawfulness of their activity prior to the establishment of business relations with them.

Moreover, Pastore & Lombardi is committed in the prevention of self-laundering and of all other crimes being a condition precedent thereof.

4.14 CONFLICT OF INTEREST

In the carrying on of whatever activities, it is necessary to avoid situations where the participating subjects are in conflict of interest or where their capability to act in the sole interest of the Corporation is potentially affected.

Therefore, each Addressee, in exercising his/her responsibilities, shall disclose to the Corporation all conflicts personally involving the Addressee or his/her correlated parties, and shall abstain to take part to activities where the conflict of interest arises.

4.15 RELATIONS WITH PRIVATE ENTITIES

In the relations with private entities, specifically other enterprises (customers, competitors, partners, etc.), the conduct of the Addressees shall always be loyal and correct, in the frame of an absolute transparency, and always excluding whatever intent of corruption.

Should the Addressees receive illegitimate requests or offers of benefits from the representatives of other private entities, then they shall immediately suspend the relations and proceed to reporting to top executives and surveillance body.

4.16 CONFIDENTIALITY AND PROTECTION OF PERSONAL DATA

Pastore & Lombardi protects the confidential nature of information in its possession relating to employees, collaborators, customers, suppliers, shareholders and partners, save for legislative and contractual obligations. On their turn, the Addressees shall use confidential information solely for purposes connected to their assignments.

4.17 INTELLECTUAL PROPERTY AND COPYRIGHT

The Corporation condemns disturbance to the freedom of industry and commerce, no regard being paid to modalities thereof, as well as whatever illicit competition, fraud, counterfeiting or invasion of industrial property, demanding from all subjects acting in the interest of the Corporation itself to comply with existing regulations for the protection of instruments or signs of authentication, certification, or acknowledgment.

The Corporations safeguards its own intellectual property, including copyright, patents, trademarks and distinctive signs, in line with policies and procedures for their protection, also respecting intellectual property of third parties. The Corporation, therefore, is contrary to internal policies providing for – *inter alia* - unauthorized reproduction of software, documents and other copyright-covered materials and the violation of restrictions as per licensing agreements with the providers of software programs.

5. IMPLEMENTING

5.1 CODE OF CONDUCT AND SURVEILLANCE BODY

The surveillance body – appointed as per articles 6 and 7 of Legislative Decree 231/2001 – shall monitor the implementation and compliance with this Code of conduct, limitedly to principles and law provisions aimed at preventing crimes triggering the liability as per Legislative Decree 231/2001. The specific assignments of the S.B are listed hereinafter:

- To monitor compliance with the Code of conduct, with the aim of a progressive reduction of the risk of crimes as per d.lgs. 231/2001;
- To follow up and coordinate amendments and updates to the Code of conduct, and also to put forward proposals to such aim also with reference to legislative developments;
- To promote and monitor initiatives aimed at communicating and divulging the Code of conduct with the Addressees;
- To make remarks on alleged violations of the Code of conduct, reporting to competent corporate bodies any violations discovered by the S.B. or of which it has gained knowledge.

5.2 DIVULGEMENT AND TRAINING

The Code of conduct and relevant updates shall be brought to the knowledge of all Addressees by way of proper communication and divulging initiatives.

In particular, it shall be the care of the Corporation to deliver to the Addressees a paper copy or to transmit them the electronic file of the document and/or to provide them with needed instructions to access the document stored on the Corporation intranet system. The main topics in the Code of conduct are discussed in staff information and training sessions on the prevention of the crimes as per d.lgs. 231/2001. The Corporation can implement whatever other activity that – also based on the remarks by the surveillance body – is deemed suitable to the mentioned purpose.

The surveillance body is available to all Addressees to answer to their requests of clarification and to consider remarks on the contents of the code of conduct.

5.3 REPORTING

Each Addressee gaining knowledge of actions or conducts which can amount to a violation of this Code of conduct must immediately report to the surveillance body.

Moreover, all employees and third party shall report to the surveillance body any instructions or pressures by the Corporation which are in conflict with the Code of conduct.

In case the duty of reporting to the S.B. is not complied with, a sanction can be enforced on the inactive Addressee.

The surveillance body assesses the existence and the materiality of the reported violations and - should the relevant conditions be recurring – communicates to the Chairman of the Board of Director the violations and its remarks. In the event of violations not relating to principles and law provisions/prescriptions aimed at preventing crimes other than those as per d.lgs. 231/2001, the surveillance body shall directly transmit its findings to the Chairman of the Corporation.

No reprisal, discrimination, or punishment is to be enacted by the Corporation for reports made in good faith, save for legal obligations and save the protection of the rights of those falsely accused or accused in bad faith.

5.4 SANCTIONS

The standardization of violations of prescriptions and principles set out by this Code of conduct as well as of the applicable sanctions is contained in the disciplinary and sanctioning system of the Corporation, which is an integral part of the Model for management organization as per d.lgs. 231/2001 of Pastore & Lombardi.

In short, the disciplinary and sanctioning system sets out the following:

- Towards employees, whether managers or not, disciplinary actions rank from written reproach to dismissal for cause;
- Towards the Directors, disciplinary actions consist of warnings or, in most serious cases, their revocation consistently with the modalities set out by the civil code;
- Towards Statutory Auditors, disciplinary actions consist of warnings or, in most serious cases, their revocation consistently with the modalities set out by the civil code;
- Towards third parties Addressees, any non-compliance with the principles and prescriptions contained in the Code of conduct, triggers, as sanction, a warning or, in serious cases or in case of reiteration, the cancellation of contractual relations;
- Lastly, a serious violation of the provisions in the Code of conduct by one or more components of the same body triggers their revocation from office.

The preceding shall not impair whatever right of the Corporation, consistently with applicable laws and collective employment agreements, to damages caused by the author of the violation of the Code of conduct.