



UMBRA GROUP

ETHICS CODE

Approved by the Board of Directors of UMBRA GROUP S.p.a. on July 29, 2014
Revised January 29, 2018



REVIEWS

Review number	Altered portion	Purpose of the review	Approval date
00		Approval of the Ethics Code by motion of the Board of Directors	29.7.2014
01	Par. 2.12 Par. 2.13 Par. 3.1 Cap. 6 Par. 7.1	Changes and additions to the Ethics Code, namely inclusion of the ethical principles that should guide all dealings with political groups and trade unions, when dealing with collaborators in the event of conflicts of interest, as well as adding rules of conduct for inter-company relations	29.1.2018

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1. INTRODUCTION

This Ethics Code sets forth the Values and Principles of Conduct of UMBRAGROUP S.p.a. and its subsidiaries, including those located abroad (hereinafter also "UMBRA GROUP", the "Company" or the "Group"). These values must govern the actions of everyone who works at the Company in whatever capacity, and must guide corporate strategies, its conduct, its practices and its policies of ongoing improvement. This requirement is in addition to and independent of the mandatory and rigorous compliance with the laws and regulations that are in force wherever the Company does business.

This is because UMBRAGROUP carries on the ethical tradition embodied by its founder and Chief Executive Officer for many years Valter Baldaccini, who aspired to create collectively a system of internal and external relations grounded primarily in reciprocal trust, respect and solidarity at every level of the organisation. Mr. Baldaccini was firmly of the belief that this mission can only be accomplished if both Management and Staff are thoroughly committed to Values.

For UMBRAGROUP, its Ethics Code constitutes a crucial resource underpinning a precautionary control system established pursuant to Legislative Decree No. 231 of June 8, 2001 to prevent the criminal offences contemplated therein.

1.1. *UmbraGroup's Values*

UMBRA GROUP'S values, which can be summed up in the acronym FIRST, constitute the framework within which the entire enterprise conducts its business, proposing fresh ideas and solutions in order constantly to improve processes, products and working methods.

Customer focus: UMBRA GROUP'S approach entails making the customer-partner link through bonds of mutual respect and reliance. The customer must always receive guidance when choosing the solution that, from their standpoint, is optimal and economically most sustainable. The goal is to empower and completely satisfy every customer.

Innovation: UMBRA GROUP strives incessantly to create an environment that fosters innovation. We consider change a form of wealth and a promise of further development. Our people are steadily encouraged to propose new ideas and put them swiftly and flexibly into effect. UMBRA GROUP is made up of people with inquisitive minds who are eager to improve themselves through learning.

Respect: UMBRA GROUP listens to and understands its customers and all its stakeholders. Whatever they are told will happen is what actually happens. At the company, we behave just as we do in private life - namely endeavouring always to act in accordance with company values. UMBRA GROUP abides

by the law.

Social development: UMBRAGROUP undertakes, through the work of all, to actively build the common good. It supports its employees' well-being and development both at work and elsewhere. The company assures fairness by striving to fulfill the needs of all its stakeholders.

Everyone striving toward a common goal: UMBRAGROUP'S Management and Collaborators dream and create together. Teamwork is leveraged to obtain results that cannot be achieved by a single person acting alone. Everyone should be involved in their team's goals and in solving its problems.

1.2. Scope and application of the Ethics Code

The Ethics Code is binding on all those who strive to attain UMBRAGROUP'S goals regardless of their position. This Ethics Code is consequently addressed to the top management of UMBRAGROUP and of the Group as a whole, as well as to its employees, collaborators, outside consultants, suppliers and commercial partners, all of whom without distinction are required to conduct business and perform their corporate tasks in accordance with the principles and values set forth in this Ethics Code.

Compliance with the Ethics Code is an essential component of the contractual obligations of all the Code's aforementioned addressees, as provided for in UMBRAGROUP'S Organisational Model as per Legislative Decree No. 231/2001. Any act of a staff member employee that breaches the values and principles of the Ethics Code will be punished in proportion to the seriousness of the breach, in accordance with the disciplinary system set forth in the aforementioned Organisational Model, of which the Ethics Code is an integral and substantive part.

Offences committed by persons outside of UMBRAGROUP will be disciplined in compliance with the applicable contracts.

Accordingly all addressees are bound to report any non-compliance or breach to UMBRAGROUP'S Supervisory Board (OrganismoVigilanza@umbra-group.com).

1.3. Application within the Group

As part of its management and co-ordination role, UMBRAGROUP circulates this Ethics Code among the directly and indirectly held subsidiaries. By the same token, the principles set forth in this Ethics Code have become enforceable at all UMBRAGROUP subsidiaries and are hence binding on the conduct of all addressees.

2. ETHICAL PRINCIPLES AND VALUES

2.1. Honesty, loyalty, courtesy and moral integrity

Honesty, loyalty, courtesy and moral integrity are fundamental principles that UMBRAGROUP has always respected and protected; whoever works for or with UMBRAGROUP and the Group as a whole has not only the duty, but the obligation, to observe exemplary ethical behaviour, be respectful of the laws and regulations in force in all the countries in which the Company conducts its business, as well as the Ethics Code, the Internal Regulations and the Organisational Model of UMBRAGROUP. In this regard, UMBRAGROUP adopts a suitable training and awareness-raising program that conveys the content of the Ethics Code and all related issues. The pursuit of any purpose or the attainment of any objective can never be justified if accomplished by means of dishonest, discourteous or otherwise objectionable behaviour when measured by the yardstick of UMBRAGROUP'S ethical and moral standards. Accordingly UMBRAGROUP will break off relations - or refrain from initiating them - with people whose behaviour diverges from this provision of the Ethics Code.

2.2. Focus on the individual

All UMBRAGROUP'S business is grounded in the utmost respect for each individual and on the protection of his or her physical, moral and intellectual integrity.

On these grounds we strongly condemn every form of exploitation and discrimination, especially if motivated by race, nationality, gender, sexual orientation, age, disability, mental and physical health status, political or trade union opinions and religious or philosophical convictions.

UMBAGROUP conducts its business in compliance with the Convention for the Protection of Human Rights and Fundamental Freedoms and the principles set forth in international treaties for protecting human rights. Consequently, when UMBRAGROUP chooses its suppliers and partners, it pays the greatest attention to the working conditions at their facilities.

2.3. Fairness in exercising authority

When entering into and managing contractual relationships that involve establishing relationships of subordination (especially with respect to staff), UMBRAGROUP endeavours to ensure that authority is exercised fairly and courteously in order to avoid abuses.

In particular, UMBRAGROUP makes sure to explain in a clear and understandable fashion to its counterparties which rights and duties attach to each party on entering into the contractual relationship.

2.4. Transparency

In conducting its business, UMBRAGROUP endeavors to afford its employees and, more generally its interlocutors, access to any information that might help assess and interpret its operations properly and thus render them transparent. Every act and operation, not solely in accounting, must be properly recorded, enabling swift identification of who made the decision, who authorised it and who executed it. UMBRAGROUP relies on an internal and external communication system which ensures utmost transparency, according to which every operation and transaction should be properly recorded and authorised, verifiable, lawful and consistent. Every operation is recorded in the company's computer system or on paper. This enables verification at any time of each operation's nature and purpose.

2.5. Confidentiality of information

UMBRAGROUP'S organisation and IT system are designed to secure maximum confidentiality of the information in its possession and to prevent anyone within the company from accessing confidential information relating to third parties in a manner likely to compromise the integrity or reputation of either party. All Group collaborators are bound to keep secret any information they may encounter by virtue of their employment and are forbidden to disclose or make use of such information in any manner other than that for which it has been authorised. Whenever UMBRAGROUP has information in its possession, it complies strictly with whatever legislation may be in effect concerning the privacy of personal data.

2.6. Value of human resources

UMBRAGROUP considers every collaborator and employee an indispensable resource, valued for their professionalism and whose rightful demands are fulfilled without reservation. Empowering people and forging with them a bond of trust is a characteristic trait of UMBRAGROUP'S strategy that has been successful in the long run, as shown by its cordial relations with its trade union representatives, among others. Employee satisfaction is necessarily a core policy for any enterprise striving for market success. Moreover, UMBRAGROUP'S human resources strategies and management practices have always been designed to combine a finely tuned and competitive manufacturing operation with a welcoming corporate culture characterised by frank dialogue, team spirit and personal commitment.

2.7. Remuneration policy

UMBAGROUP, in pursuing its key objective of creating sustainable value over the medium to long term, adopts a remuneration policy for its Directors, Statutory Auditors, Executives and Key Management Personnel, which:

- aligns the interests of management with those of shareholders by closely linking remuneration and performance;
- attracts, retains and motivates people with the individual and professional qualities required to achieve the company's business development goals, by means of "remuneration packages" that are competitive over the medium to long term compared to the outside market;
- recognises merit in order to adequately reward the individual contributions of managers;

The Remuneration Policy complies with the principles of transparency and fairness and consistency of overall remuneration for each occupational role, with respect to the market's valuation for similar positions, applying periodic adjustments to remuneration packages on the basis of overall corporate and individual performance. The Company's Remuneration Policy is determined on the basis of proposals submitted by its Remuneration Committee, which assesses the appropriateness and implementation the policy.

2.8. Culture of ongoing improvement

UMBAGROUP believes that work processes must be steadily improved to provide better service to customers, to contain costs and meet deadlines and to become increasingly competitive. To improve a process all principal actors must work together to eliminate waste [of money, time and resources], in order make each process faster, cheaper, easier and safer than its predecessor. Hence, one of the Group's goals is to encourage and create a "culture of ongoing improvement" at all corporate levels thanks to a steady process of participation and involvement. The Group therefore applies and greatly prizes the Lean Six Sigma organisational method, which is rooted in the concepts of quality, timeliness and involvement. The Company accordingly enrolls its employees in "ongoing improvement" training programmes, providing technical support at all stages of the manufacturing process, thus reducing manufacturing costs.

2.9. Innovation

While pursuing its objectives of change and innovation, UMBAGROUP fosters the emergence of a work environment designed to drive a creative and innovative spirit among its collaborators and employees. To this end, it rewards innovative endeavours and supports and nourishes the skills needed to develop and launch fresh, useful ideas within the organisation.

2.10. Quality

UMBRAGROUP is a leader within a niche industry. Such leadership has been maintained through achieving top quality standards over the years that have earned the company numerous awards for quality and accreditation by various international bodies. Thus, in order to assert its leadership and to continue to generate and supply quality goods and services in a constantly evolving market, UMBRAGROUP has not only put in place a quality management system that complies with Italian and international standards, but has in addition invested substantial sums in product research and development. The quality and safety of all UMBRAGROUP products are subjected throughout their entire production cycle to rigorous, meticulous monitoring.

2.11. Environmental protection

UMBRAGROUP maintains a consistent focus on the environment and its workers' health and safety and on that of employees of third-party companies and of visitors, while keeping a prudent balance among social, economic, environmental and health and safety variables affecting those who in various capacities frequent the Company's premises.

Consequently, since UMBRAGROUP acknowledges the pressing need to protect and nurture our environment, it conducts its manufacturing business applying to each production cycle the most appropriate technologies to minimise environmental repercussions and hazards. Moreover it supports the sustainable development of the regions in which it operates by constantly monitoring corporate processes to mitigate their environmental impact. Choice of materials, packaging, distribution and product management are all subject to rigorous scrutiny.

UMBRAGROUP'S business operations fully comply with applicable Italian law concerning environmental protection and integrated pollution prevention and abatement [Legislative Decree No. 152 of 3.4.2006], as well as the legislation on the control of major-accident hazards associated with certain dangerous substances [Legislative Decree No. 334 of 17.8.199, Ministerial Decree of 16.3.1998]

2.12. Social Responsibility

UMBRAGROUP has always devoted great attention to its regional links. This link is reflected in the hosting of numerous local and international events inspired by values such as social responsibility, solidarity and a sharing attitude. UMBRAGROUP'S strong community presence reflects an awareness that doing business does not mean merely catering to one's own shareholders and employees, but requires also a focus on the region and society in general. UMBRAGROUP is keenly aware that it represents an opportunity for the

progression of the individual and their families. We therefore support a range of initiatives in the fields of social development, culture, the arts, education and the green economy. The Group is also involved in international solidarity efforts.

UMBAGROUP sustains these social responsibility initiatives also through sponsorships or contributions to foundations, institutions and organisations devoted to improving the living conditions of the poor, and solidarity in the communities where we conduct our business. Sponsorships and donations to associations, including those unrecognised, are duly authorised and clearly identify the counterparties concerned and the grounds for the payment. Funds are transferred through authorised intermediaries to ensure traceability on the basis of correct documentation.

2.13. Dealing with political groups, trade unions and other organisations

To fulfil its corporate purpose and to stimulate economic and social development in the regions where it does business, the Company interacts with trade unions, political parties and other social groupings. Those tasked with dealing with such entities are required to strictly abide by the laws banning bribery and deceptive practices.

3. PRINCIPLES OF CONDUCT WHEN DEALING WITH COLLABORATORS

3.1. Conflicts of interest

A relationship of full reciprocal reliance exists between UMBAGROUP and its directors, employees and collaborators at all levels. Consequently, the primary duty incumbent upon them is to strive to fulfil the company's goals, while taking care to obey the principles underlying the Ethics Code.

For this reason the directors, employees and collaborators of UMBAGROUP must avoid any situation and refrain from any act driven by the pursuit of goals of a personal nature in the broader sense, instead of properly pursuing corporate goals. They must also avoid situations likely to hamper the company's freedom to make, after impartial and objective consideration, decisions in UMBAGROUP'S interest. Conflicts of interest are unlawful and moreover clash with the principles enshrined in the Ethics Code. In addition, they greatly harm both our company's reputation and vitality.

Addressees of the Ethics Code must endeavour to ensure that the prospect of personal or collective material gain does not interfere with or encroach on their sense of professional duty, misleading them to exploit their

position to indulge in pursuits unrelated to their corporate duties.

Any situation involving such conflict, even potentially, must be promptly reported in detail to the company officer in charge, and where required to the Supervisory Board also.

All those who feel exposed to some conflict of interest of whatever sort must strictly refrain from performing or taking part in the performance of any deeds that might harm UMBRAGROUP and the Group.

Our consultants and business partners must likewise make specific undertakings to avoid conflicts of interest and furthermore refrain from exploiting their employment with UmbraGroup to procure improper benefits for themselves or their associates.

3.2. Recruiting, screening and integrating new employees

Screening of prospective staff is conducted with due respect for human dignity and throughout its various stages is intended to ascertain candidates' personality traits, moral values and technical and professional skills. Moreover each stage of the screening procedure is carefully designed to fulfill the principles of non-discrimination, equal opportunity and privacy of personal data. It concludes with the selection of the candidate judged most suited in terms of aptitude and professional skills to fulfil the demands of the vacant position. The transparency of the selection process is ensured by disclosing the outcome of the selection procedure to all candidates.

The inclusion of a successful candidate must strictly comply with the pertinent Labour Code procedures and with the laws on hiring of third-country nationals [Legislative Decree No. 286 of 25.7.1998] and on occupational health and safety, in addition to the procedures required by the Organisational Model instituted pursuant to Legislative Decree No. 231/2001. All employees are eligible for training either when they are hired or in the course of their employment. Such training instructs the worker on:

- the core elements of the employment contract and the worker's related rights and duties;
- the tasks to be performed and the responsibilities entailed by their job title;
- the general and special rules of occupational health and safety, and special training where required by the position;
- UMBRAGROUP'S Organisational Model, with particular reference to the Ethics Code and the Governance Regulation.

UMBAGROUP'S policy is to be easily approachable by any employee desiring explanations or information.

3.3. Empowering and assessing staff

UMBRAGROUP assures every employee a working environment governed by values of respect, loyalty and enthusiasm. It likewise assures them the prospect of engaging in dynamic and planned growth while playing crucial roles in cutting-edge manufacturing processes. Those constantly monitoring our employees are instructed to arrange for impromptu on-the-job training whenever they see room for improvement.

In fact, what UMBRAGROUP truly needs is staff driven by an entrepreneurial spirit, focused on satisfying customers' demands, who are as good as their word, and are involved in driving growth in the communities that host our business.

UMBRAGROUP'S business strategy relies on this model of leadership, a model that welcomes visions of future scenarios, turns stumbling blocks into stepping-stones, and promotes and helps to achieve people's empowerment since, as our founder Valter Baldaccini put it, *"only if working men and women feel that the company where they work belongs to them, will they do their best and experience fulfilment. Only if we succeed in placing the individual centre stage at the workplace will we really be affording people a sense of dignity while practicing their occupation, and the opportunity to seize control of their fate. I am thoroughly persuaded that by observing even-handed business practices we help lay the foundations for shaping a fairer world"*.

This is why every employee at UMBRAGROUP is deemed an indispensable resource on account of his or her professionalism, whose personal and occupational needs must be fulfilled. Not only does UMBRAGROUP establish with each of its employees a relationship characterised by transparency and open dialogue, but it also fosters contact among employees and especially between their families. This is supported by periodic meetings to present results and announce future developments, thus making everyone aware of the course the company has charted, encouraging each employee to assume the role of an active agent of any possible change and development. In addition, the company organises sports, cultural, recreational and tourist events through its Workers' Recreational Club to encourage a community spirit among the various Group enterprises.

Career paths for promising employees are designed to foster internal growth, maximising efficiency and enabling a prompt response to market developments, while complying with the merit principle.

3.4. Protecting individual integrity

UMBRAGROUP undertakes to protect the moral integrity of its employees and satisfy their right to working conditions that safeguard their dignity.

For this reason, the company forbids any behaviour that might be considered physical or psychological violence, including sexual harassment and

discriminatory and other harmful practices that intrude on the individual's person, convictions and preferences.

Therefore all employees and collaborators are required to adjust their language to the workplace by avoiding coarse remarks and refraining from comments that might cause offence to others.

UMBAGROUP, moreover, ensures that relationships of fellowship and of subordination among its staff shall be both fair and civil by banning and penalising any behaviour that might encourage abuse by the employee of higher rank.

Any discriminatory behaviour and acts that breach individual rights are considered a serious breach of the Ethics Code and must be promptly reported to UMBAGROUP'S Supervisory Board.

3.5. Privacy protection

Furthermore, UMBAGROUP assures its employees the utmost privacy of their personal information in accordance with the privacy laws in force by specifying what information the Company requires of its collaborators and how such information will be processed and stored in accordance with its data security plan, which is binding on all staff.

The company shall strictly refrain from enquiring into its employees' ideas, tastes and private life in general.

Employees, collaborators and managers are required to read the company's security policy guidelines. Moreover, they are bound to enforce UMBAGROUP'S policies concerning data security, in order to safeguard corporate information from corruption or tampering while keeping it both confidential and available.

3.6. Environmental & Occupational Health and Safety Protection

UMBAGROUP recognises compliance with the legislation on the protection of health and safety in the workplace and the environment as an essential principle and, therefore, undertakes to maintain and guarantee a safe and healthy working environment, as well as to disseminate and consolidate within its employees a culture that respects the principles of environmental and occupational health and safety protection and also taking into account the peculiarities and distinctive features of the hazardous substances used in its production processes.

With regard to occupational health and safety, all choices and / or decisions taken are based on compliance with the following fundamental principles and criteria:

- a) avoiding risks;
- b) evaluating the risks which cannot be avoided;

- c) combating the risks at the source;
- d) adapting the work to the individual, especially regarding the design of workplaces, the choice of work equipment and the choice of working and production methods, with a view, in particular, to alleviating monotonous and repetitive work and to reducing its impact on workers' health;
- e) adapting to technical progress;
- f) replacing the dangerous by the non- or the less dangerous;
- g) developing a coherent overall prevention policy which covers technology, organisation of work, working conditions, social relationships and the influence of factors related to the working environment;
- h) prioritising collective protective measures (over individual protective measures);
- i) giving appropriate instructions to workers.

The above general principles are the basis for assessing the measures needed for the safety and health protection of workers, including the prevention of occupational risks and the provision of information and training, in addition to the necessary organisation and means.

UMBRAGROUP also adopts and strictly implements an Integrated Environment and Occupational Health and Safety Management System. In this regard, UMBRAGROUP not only contributes to the awareness and dissemination of an Environment protection culture but also manages its business in an environmentally friendly manner and in compliance with current legislation.

To this end, the Company undertakes to:

- assess and manage environmental risks;
- promptly correct any conditions that threaten the environment and, therefore, also the individual;
- carry out the relevant periodic inspections;
- manage and dispose of waste according to current applicable regulations;
- select suppliers by carrying out a preventive verification procedure to ensure that they possess the authorisations required by law

3.7. Duties incumbent on employees

Employees and collaborators of UMBRAGROUP must always act in compliance with the general criteria, values and principles expressed in this Ethics Code, promptly complying with contractual provisions, Internal Rules and the Organisational Model.

A core UMBRAGROUP principle is to comply with the laws and regulations in force in all regions in which it operates and, consequently, all its employees and / or collaborators:

- must comply with the aforementioned laws and regulations;
- must be aware of the laws and the conduct therefore required;
- in the event of doubt about how to proceed, employees must ask the

Company to provide clarification and the latter shall provide information accordingly.

Employees must act honestly and fairly, being aware that choices made shall have either a positive or negative influence on the Company. Therefore, employees must work, act and make their choices in compliance with the following general principles and criteria:

- all operations and transactions carried out must be correctly recorded and must be authorised, verifiable, lawful, consistent and reasonable. They must also be backed up by adequate documentation to enable the carrying out of checks to confirm the nature and reasons for the operation and to identify who authorised, performed, recorded and verified the operation itself;

- it is forbidden to request and / or accept recommendations, favourable treatment, gifts or other benefits;

- any situation that creates, even hypothetically, a conflict of interest must be promptly and adequately reported to the manager;

- company assets must be protected with the utmost care and diligence and in compliance with the operating procedures governing their use, documenting such where required; it is forbidden to use company assets fraudulently or improperly;

- tasks must be carried out in compliance with company safety policies, in order not to compromise the functionality and protection of IT systems and other systems;

- confidential information obtained by employees during the performance of their duties, in accordance with the relevant legislation and company operating procedures, must be kept strictly confidential and be duly protected; such information cannot be used, notified / or disclosed except in the performance of their duties;

- legal and ethical obligations must be complied with in respect of any previous employer who operates in competition with the Company

- any infringement and / or anomalous situation that results or may lead to an infringement of the principles and rules contained in this Ethics Code, must be promptly notified, also anonymously, to UMBRAGROUP'S Supervisory Board, so that the latter may directly adopt, or suggest to the relevant corporate bodies, the adoption of consequent measures.

3.8. Duties incumbent on members of corporate boards

Members of corporate boards are required to fully comply with company policies, Internal Rules and the Organisational Model pursuant to Italian Legislative Decree no. 231/2001 adopted by UMBRAGROUP and this Ethics Code; therefore, they must carry out their activities in line with the principles of autonomy, independence, fairness and moral and professional integrity. They must also refrain from acting in situations of conflict of interest and guaran-

tee the confidentiality of information they may become aware of. Members of the corporate boards are forbidden from using their position to obtain personal benefits whether directly or indirectly.

4. CONDUCT PRINCIPLES IN RELATIONS WITH CUSTOMERS AND SUPPLIERS

4.1. Customer Relations

UMBRAGROUP'S mission is not simply to be efficient in terms of quality, but to display excellence and reliability. Essentially, the Group would like Customers to see it as "the Supplier" of Ball Screws, Bearings, Actuators and Components to the high-tech markets. All of its expertise is at the Customers' disposal, ensuring maximum professionalism in terms of Quality, Service and Support. The company's success is based on the following slogan: "Zero defects, On Time Delivery and On-going Improvement".

In order to achieve this, the Group requires that its employees correctly manage dealings with parties outside the Company, conducting themselves with the maximum correctness, respect and integrity. In particular, when dealing with Customers, it is essential:

- to provide products with efficiency, courtesy and timeliness, in full compliance with the contractual provisions and ensuring the highest quality and full satisfaction of recipients;
- to provide, where necessary, in the manner and form envisaged by company policies, accurate and exhaustive information on the project status of the products being supplied, so that Customers may, where required, make informed decisions;
- to satisfy customers' expectations in terms of honesty, transparency and full compliance with the law and contractual agreements.

4.2. Initiating and maintaining commercial relations

In undertaking new business relations or maintaining those already in existence, UMBRAGROUP, in compliance with applicable laws and regulations and based on publicly available information, strives to verify that current or future Customers:

- do not lack the requisites of integrity, professionalism and commercial reliability;
- are not implicated, either directly or indirectly, in unlawful activities, with particular reference to the offences defined by Italian Legislative Decree No. 231/2001;
- do not infringe, while carrying out their business activities, basic human rights, hindering human development and diminishing human and individual

dignity [for example by exploiting child labour, encouraging the trafficking of migrants, failing to provide safe working conditions and healthy workplaces ...];

- meet the commitments they have contractually entered into.

In any event, all Directors, Executives, employees and collaborators of UmbraGroup are expressly forbidden:

- from making and / or accepting further payments or payments which differ, in terms of the amount and / or in the timing and / or in the manner, from those contractually envisaged and agreed; in fact, payments made or received directly by the Company as well as by its Directors, collaborators and / or employees, in addition to payments made or received through persons acting on behalf of the UMBRAGROUP Group and / or Group companies, both in Italy and abroad, are considered fraud;

- offering or accepting any item, service, performance or favour of significant value in order to obtain more favourable treatment than that ordinarily afforded; this applies both in Italy and abroad;

4.3. Contractual provisions and notices

Contracts and notices to UMBRAGROUP'S customers (including advertisements) must always be:

- based on the utmost clarity and simplicity, worded in a language as close as possible to that used by the various national and international contact persons;

- compliant with current regulations, without resorting to dishonest or improper practices;

- complete and exhaustive in terms of content, so as not to neglect any significant element of the Customer's decision;

- compliant with the Company's commercial policy.

The purposes and recipients of correspondence determine the choice of the most appropriate channels for the disclosure of their content, on a case-by-case basis, without the use of excessive pressure or solicitation, undertaking not to use misleading or untruthful advertising methods.

4.4. Public Customers

UMBAGROUP, generally, maintains commercial relations only with private parties; regardless, in the event of maintaining relations with public customers, it shall undertake not only to comply with the principles mentioned above, but, given the particular nature of the "public entity", it shall undertake to adopt further precautionary measures. In particular, all Directors, Executives, employees and collaborators of UMBRAGROUP are strictly forbidden:

- from behaving in such a way that may even be interpreted as being of a collusive nature or in any event capable of compromising the key principles of this Ethics Code;

- from promising, requesting to offer to and / or accepting from parties that hold the status of Public Official, Public Service Appointee or employee of the Public Sector, direct proposals to evade, even partially, the regulations on contracts with the Public Sector.

4.5. *Relations with suppliers*

UMBRA GROUP believes that in today's global market, relations with suppliers constitute a fundamental pillar for the Company's flexibility, integrity and competitiveness. Equally, the daily ability to meet customer needs is based on a common commitment with the entire supply chain. To achieve this goal effectively, the Group works in partnership with its suppliers to create a specialist team for a successful future.

UMBRA GROUP views its Suppliers as strategic partners for its growth and competitiveness and is committed to developing lasting business relationships with those who not only meet requirements in terms of quality, price and reliability, but who also share its corporate principles and approach.

Therefore, all purchases made by UMBRA GROUP must be carried out fairly and with honesty, loyalty, integrity, confidentiality, professionalism and be subject to assessment but, above all, in full and timely compliance with the national and international regulations in force and the operating procedures set forth in the Organisational Model pursuant to Italian Legislative Decree No. 231/2001.

To choosing new suppliers or maintaining relations with existing ones, must always be based on compliance with objective principles, such as quality, convenience, price, capacity, efficiency, ethics and compliance with the law. Therefore, UMBRA GROUP with particular reference to those involved directly and / or indirectly in the purchasing process:

- prohibits any partial and conditional conduct in respect of suppliers in the performance of their duties and functions;
- prohibits the assumption of any commitment and / or obligation of a personal nature; any personal relationships established by employees and / or collaborators with suppliers must always be disclosed;

Monitoring of supplier performance is the basis for establishing, developing and maintaining an effective relationship between the Group and its suppliers. Therefore, in the selection of suppliers, the Group considers the following requisites as essential:

- the professionalism and correct approach of the contact person;
- appropriately documented availability of means, including financial resources, of organised structures, with the necessary capacity and design resources, capable of ensuring objective and quantifiable delivery times, in addition to a quality service based on the best price and an innovative product;
- the existence and effective implementation of quality, environment and

health and safety management systems;

- environmentally conscious conduct;
- conduct that does not adversely affect the image and the good name of UMBRAGROUP.

In relations involving contracts, procurement, and generally the supply of goods and services of UMBRAGROUP:

- adopts, in the selection of suppliers, the evaluation criteria provided by the existing operating procedures, in an objective and documented manner;
- guarantees fairness in the choice made, not precluding anyone in possession of the required requisites, from competing for contracts, adopting objective, documentable criteria for the selection of candidates;

- ensures, during the supplier selection phase, sufficient competition to guarantee the quality of the services commissioned, considering, where possible, an adequate number of candidates (for example considering at least three companies);

- maintain a frank and open dialogue with suppliers in line with good commercial practice;

- complies and requires compliance with all the obligations imposed by current legislation, concerning the prevention of money laundering, security, tenders, national insurance, as well as tax contributions and supply and procurement.

In any event, where a supplier, in the performance of its business, adopts conduct not in line with the general principles of this Code, UMBRAGROUP shall be entitled to take the appropriate and consequent measures.

4.6. Ethics in supplies

UMBAGROUP requires all its Suppliers to carry out their activities in compliance with the following fundamental principles:

- human rights and working conditions;
- respect for the environment;
- ethics in business relations

To this end, all suppliers must sign an acceptance of the "General Terms of Supply", where Suppliers guarantee compliance with the aforementioned ethical principles.

5. PRINCIPLES OF CONDUCT IN RELATIONS WITH THE PUBLIC SECTOR

5.1. Definition of the Public Sector

In relation to the provisions of this Ethics Code, the Public Sector is considered the group of public and private entities, as well as all other figures, that perform an administrative function in the interest of the community and therefore in the public interest and acting, as a consequence, in the role of Public Official, Person in Charge of a Public Service or member of the Bodies of the European Communities or an official of the European Union or of other foreign States and / or international public organisations.

5.2. Relations with the Public Sector

Relations pertaining to UMBRAGROUP'S activities with the Public Sector, primarily those concerning tax and national insurance matters, must be undertaken and managed in absolute and strict compliance with the laws, regulations and rules in force as well as the principles set out in UMBRAGROUP'S Code of Ethics and in the operating procedures of its Organisational Model pursuant to Italian Legislative Decree no. 231/2001.

Therefore, UMBRAGROUP, in order to prevent the occurrence of events and / or circumstances that could give rise, even if only potentially, to one of the offences listed by Italian Legislative Decree no. 231/2001, forbids its employees, collaborators, administrators, representatives and, more generally, all those who work in its interest, in its name or on its behalf:

- from accepting, promising or offering, even indirectly, money, gifts, compensation, goods, services, benefits or favours not due (including in terms of employment opportunities), with the exception of goods or services of a modest or symbolic value, to Public Officials, Public Service Officers, employees, officials, managers of the Public Sector or other Public Institutions, private individuals who perform a public duty or public service, or to their relatives, in order to influence their decisions, in view of more favourable treatments or undue performance or for any other purpose;

- from improperly influencing, during any business negotiations, request or relationship with the Public Sector, the decisions of the latter, including those of officials who deal or make decisions, on its behalf;

- from undertaking, directly or indirectly, in the course of business negotiations, applications or commercial dealings with the Public Sector, the following actions: (i) reviewing or proposing employment and / or business opportunities that may benefit employees of the Public Sector on a personal basis (ii) offering or in any way providing gifts; (iii) soliciting or obtaining confidential information that may compromise the integrity or reputation of both

parties;

- hiring as employees and / or collaborators former employees of the Public Sector (or their relatives), who have participated personally and actively in business negotiations or have endorsed requests made by UMBRAGROUP to the Public Sector;

- unlawfully and unduly influencing individuals in order to make false statements or to refrain from making statements to the Judicial Authority;

- issuing untrue statements in order to obtain public funds, funding and / or national, community or international contributions;

- allocating the sums received as a result of obtaining public grants, financing and / or national, community or international contributions, for purposes other than those for which they were intended;

- making changes or the unauthorised access, in any way, to the IT or telecommunications system of the Public Sector;

- maintaining relations with the Public Sector, even where indirectly, there is a conflict of interest;

- contributing to the funding of political parties, committees, public organisations or political candidates, in breach of the relevant legislation.

The failure to comply with the aforementioned prohibitions must be promptly reported to the relevant internal departments, even anonymously, by anyone who has become aware of such, whether directly and / or indirectly.

6. CONDUCT PRINCIPLES IN INTER-COMPANY RELATIONS

6.1. *Independence and common ethical values*

UMBRA GROUP acknowledges and respects the independence of the Group's subsidiaries and requires them to comply with the values expressed in the Ethics Code, cooperating in a fair and transparent manner in the pursuit of the common goals. The above is in compliance with the regulations in force in the relevant legal system for each of the companies belonging to the Group.

UMBRA GROUP, in the performance of its activities, shall refrain from behaving in ways that can, even if only potentially, be assessed as detrimental to its integrity, independence or image of that of the Group. For this reason, UMBRA GROUP requests its Subsidiaries to refrain from behaving or making decisions that could damage the integrity or image of the other Group companies.

6.2 Cooperation, Communication and inter-company Transactions

Those who hold, by appointment of UMBRAGROUP, positions within the Group have the obligation to attend regularly the meetings called and perform the duties assigned to them with honesty and fairness, stimulate communication amongst the companies of the Group and encourage and use inter-company synergies, cooperating in the pursuit of common goals. The flow of information within the Group, in particular for purposes of drafting the consolidated financial statements and of other communications, shall be in accordance with the principles of truthfulness, loyalty, correctness, completeness, clarity, transparency and prudence and shall respect each Company's independence and its specific areas of activity.

The management and coordination activities of UMBRAGROUP are carried out through official communications to the corporate boards of Group companies. Any business relations between Group companies are duly formalised, in compliance with the principles of correctness, effectiveness and protection of their respective interests.

Special attention is paid to the aspects related to the use of economic resources as well as to transactions with related parties, including inter-company transactions, which must be carried out in full compliance with the principles of objectivity, transparency and truthfulness, as well as in accordance with the internal company procedure adopted by the Board of Directors of UMBRAGROUP.

7. INTERNAL AUDIT SYSTEM AND METHOD FOR IMPLEMENTING THE ETHICS CODE

7.1. Internal Control System

UMBAGROUP believes that transparency and clear rules must underpin the audit system; a system intended as a means of ensuring an efficient use of resources and the achievement of objectives. Therefore, UMBAGROUP aims to encourage at all levels a culture aware of the existence and usefulness of audits and an audit-oriented mentality.

Internal audits are all activities aimed at verifying the actual and specific compliance with:

- current laws and regulations, company procedures and the Ethics Code;
- UMBAGROUP'S strategies and policies;
- the protection of tangible, intangible and intellectual property;
- the management's effectiveness and efficiency;
- of legislation aimed at preventing money laundering;

- the reliability of internal and external financial, accounting and management information.

The effectiveness of the internal audit system depends on the UMBRAGROUP'S entire organisational structure, with the consequence that all employees, in terms of the duties they perform, are responsible for the establishment and proper functioning of the audit system.

7.2. Supervisory Board

UMBRA GROUP is equipped with a Supervisory Board which is responsible for the following tasks regarding the implementation of the Ethics Code:

- monitoring the application of the Ethics Code by interested parties, through the application of specific internal audit plans and noting any matters indicated by internal and external stakeholders;
- receiving and analysing reports of infringements of the Ethics Code;
- reporting to the Company Departments and to the relevant bodies established infringements of the Ethics Code;
- periodically reporting to the Board of Directors on the results of the activities carried out, indicating any infringements of the Ethics Code of particular and significant importance;
- expressing opinions on the revision of the main policies and procedures, so as to ensure consistency with the Ethics Code;
- proposing, where necessary, a periodic review of the Ethics Code.

7.3. Communication and Training

This Ethics Code is brought to the attention of all stakeholders both inside and outside UMBRAGROUP, through appropriate means of communication and distribution.

In order to ensure proper understanding of the Ethics Code, the Human Resources Department prepares and implements, in accordance with any instructions of the Supervisory Board, a periodic communication/training plan aimed at promoting awareness of the ethical principles and standards contained in the Code, according to the rules established by the Organisation, Management and Control Model of UMBRAGROUP.

7.4. Reports to the Supervisory Board

UMBRA GROUP strives to establish and disseminate appropriate channels of communication with the Supervisory Board, through which all stakeholders may address their reports and complaints on the Ethics Code or its possible infringements.

Alternatively, all stakeholders may report, in writing and even anonymously, on paper or by means of the dedicated email address, any infringement or suspected infringement of the Ethics Code to the Supervisory Body which shall investigate all such reports by hearing the party making the report and the alleged infringer of the code, if necessary.

The Supervisory Board shall take steps to ensure that the person reporting is protected from any kind of retaliation, in the sense of any act that could give rise to even the suspicion of discrimination or penalty. The identity of those making reports remains confidential, unless otherwise provided for by law.

7.5. Infringement of the Ethics Code

In the event of proven infringement of the Ethics Code, the Supervisory Board shall report the notification and possible suggestions and/or sanctions deemed necessary to company management and in more serious cases, to the Board of Directors and its Chair. Each established infringement shall be sanctioned, in proportion to its seriousness and in accordance with the provisions of the disciplinary system defined in the Organisation, Management and Control Model of UMBRAGROUP.

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