



SBS STEEL BELT SYSTEMS S.R.L. - CODE OF ETHICS

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PREAMBLE

SBS Steel Belt Systems s.r.l. (hereinafter "SBS" or "the Company") is a Company incorporated under the laws of Italy and operating in the national territory and abroad since 1984 as a manufacturer of steel belt machines and a provider of packaging solutions for a wide range of industrial process applications within the chemical, petrochemical, food, plastic and powder coating industries.

The role played by SBS on the market, as well as the nature and importance of its activities, require that both the Company's staff and those who operate for any reasons on the Company's behalf are committed to the respect of the principles of loyalty, reliability, honesty, competence and transparency, as well as fully engaged to comply with the laws, the market regulations and the principle of fair competition, in full respect of the legitimate interests and expectations of the customers, suppliers, partners and anyone who comes into contact with the Company's activities.

In order for the Company to develop a proper system of relations both internally and externally, it is necessary that all those to whom this Code of Ethics is addressed, meaning the directors, the employees, the collaborators and, more generally, all those who cooperate in any capacity to the pursuit of the Company's aims in the context of the various relations which they may hold with the Company (hereinafter collectively referred to as "the Addressees"), cultivate and make available to the Company their cultural, technical, operational and ethical background for the achievement of the said purposes, each of them within the limits of their functions and responsibilities and without prejudicing the functions and responsibilities of others.

With a view to allowing the proper development of such complex relations, SBS intends to promote ethical behaviour in its business activities and to pursue fairness in internal and external relations as a fundamental guiding principle for any activities.

The Company, while carrying out the adaptation of its organizational and management Models to the requirements set forth in D.Lgs. No. 231/2001, decided to draft this Code of Ethics on the basis of all those principles of correctness, loyalty, integrity, transparency, moral and professional commitment which have been inspiring the relations of the Company with its staff and third parties since its establishment, and which characterize Company's activities in general.

As this Code of Ethics is based upon such principles, while the Company firmly hopes that it will be spontaneously shared, circulated and accepted, the strict compliance with the Code by any individuals operating on SBS's behalf or otherwise coming into contact with SBS will be required on pain of sanctions in the event of infringement.

In order to promote the respect for the values it contains, this Code of Ethics should be brought to the knowledge of all Addressees and, in any case, of all those who deal with SBS on a regular basis through relations governed by law.

Being convinced that ethical business conduct fosters entrepreneurial activities by spreading an image of transparency, correctness and reliability, the Company not only expects, but requires that its external relations are based on the compliance with laws, regulations and the provisions of this Code of Ethics.

PART I

CODE OF ETHICS ADDRESSEES

As provided for by D.Lgs. No. 231/2001, the Addressees of this Code of Ethics are: directors, workers, employees, internal/external collaborators, consultants and, more generally, all those who cooperate for any reasons, on a temporary or permanent basis, to the pursuit of the Company's aims in the context of the various relations which they may hold with the Company.

The Addressees are therefore committed to respecting and enforcing the principles and other rules set forth in this Code of Ethics in the context of their functions and responsibilities as well as in the course of their professional activities.

Correspondingly, such commitment justifies and requires all individuals who deal with the Company for any reasons to also act, towards the Company, in compliance with the same rules and values as stated above.

PART II

ETHICAL PRINCIPLES

SBS is committed to the strictest compliance with the laws and regulations in force in the places where it operates, in conformity with the principles set forth in the Code of Ethics and the relevant procedures.

Transparency, correctness, professional commitment and uprightness are the values which inspire the Company and its standards of conduct in its commitment to compete effectively and fairly in the market, to improve its customers' satisfaction, to increase its value for the benefit of its shareholders, and to develop the

skills and professional growth of its human resources. In particular, it should be noted that the belief of somehow acting for the Company's benefit does not justify any behaviors in contrast with the aforementioned principles.

All actions, operations and transactions relating to the Company should be made and pursued in full compliance with the principles of legality, impartiality and fair competition, managed with the utmost correctness, inspired by completeness and transparency of information, supported by documentary evidence, and subjected to possible audit and control.

Relations with the public authorities should be characterized by the highest degree of transparency and collaboration, in full respect of their institutional functions.

Therefore, the Addressees of this Code of Ethics shall be obliged to know the rules it provides for and to refrain from any conducts contrary to such rules. They shall also be obliged to:

- promptly refer to the Supervisory Body for any explanations required;
- promptly inform the Supervisory Body of any possible violations of the rules provided for by this Code of Ethics;
- collaborate with the Supervisory Body, or any individuals delegated by it, for any possible controls and inspections.

In the pursuance of their duties, the Addressees shall inform all parties they are dealing with of the adoption, by the Company they represent, of the Organizational Model provided for by D.Lgs. No. 231/2001.

The fundamental principles of this Code of Ethics are:

- Compliance with laws and regulations;
- Honesty;
- Impartiality;
- Correctness in case of potential conflicts of interest;
- Confidentiality;
- Equity in authority;
- Transparency and completeness of information;
- Fair competition;
- Quality of products and services provided;
- Due diligence in the performance of duties;
- Responsibility towards the community;
- Value of human resources;
- Respect of the individual's physical and cultural integrity.

1. HONESTY

The Company regards fairness in business as a fundamental and essential value. The Addressees of this Code of Ethics can rely on the Company and its directors dealing in a fair and transparent manner.

The Addressees of this Code of Ethics can participate in any organizational structures permitted by the Italian law.

Every Addressee of this Code of Ethics should be aware that any behavior not in line with the aforementioned fairness may compromise Company's integrity and reputation.

All Addressees of this Code of Ethics are directly responsible, according to the role assigned to them, of the good performance of Company's operations, of the achievement of objectives and of the protection of the Company's image.

In the course of their professional activity, the Addressees of this Code of Ethics shall diligently comply with all applicable laws, this Code of Ethics and any internal regulations.

Under no circumstances the pursuance of SBS's interest may justify a dishonest conduct.

2. IMPARTIALITY

In taking any decisions which affect the relations with its stakeholders (e.g. relations with its shareholders, personnel management or work organization, supplier selection and management, relations with customers, the surrounding community and the institutions which represent it), SBS avoids any discriminations based on age, gender, health status, race, nationality, political opinions and religious beliefs of its interlocutors.

3. CORRECTNESS IN CASE OF POTENTIAL CONFLICTS OF INTEREST

In conducting any activities relating to the Company's business, any circumstances and situations where the parties involved are, or may even just appear to be, in a conflict of interest must always be avoided.

This includes both the case where an Addressee of this Code of Ethics pursues an interest different from the corporate mission and the trade-off between the stakeholders' interests or he/she takes "personal" advantage of the Company's business opportunities, and the case where customers', suppliers' or public institutions' representatives act in contrast with the fiduciary duties pertaining to their position.

4. CONFIDENTIALITY

The Company ensures the confidentiality of any information in its possession and shall refrain from seeking confidential data, except in case of express and informed consent and in compliance with the applicable laws and regulations.

SBS protects any information relating to its employees or third parties, which have been generated or acquired either within or outside the Company, and it employs any useful device in order to prevent the misuse of such information.

Furthermore, the Addressees of this Code of Ethics shall not use confidential information for any purposes unrelated to the exercise of their activity.

5. EQUITY IN AUTHORITY

In stipulating and managing contractual relationships which involve the establishment of hierarchical relations - in particular with employees and collaborators - SBS undertakes to make sure that hierarchical authority is exercised in a fair and equitable manner so as to avoid any abuse.

In particular, SBS guarantees that authority will not consist in exercising power to the detriment of the worker's dignity and autonomy, and that the choices relating to the work organization will always and in any case safeguard the value of workers.

6. TRANSPARENCY AND COMPLETENESS OF INFORMATION

The Addressees of this Code of Ethics are required to provide complete, transparent, understandable and accurate information, so as to enable the stakeholders, when dealing with the Company, to take autonomous and informed decisions in order to protect the interests involved as well as any possible alternatives and relevant consequences.

7. FAIR COMPETITION

SBS intends to safeguard the value of fair competition by refraining from any collusive or predatory behaviors.

8. QUALITY OF PRODUCTS AND SERVICES

The Company orients its activity towards the satisfaction and protection of its customers by executing any requests which may improve the quality of products and services.

For this reason, SBS has implemented and maintains a quality management system certified according to the internationally recognized standard UNI EN ISO 9001.

9. DUE DILIGENCE IN THE PERFORMANCE OF DUTIES

The contracts and work assignments must be executed as consciously agreed by the parties.

As far as negotiations are concerned, SBS undertakes not to exploit conditions of ignorance or incapability of its counterparties.

10. RESPONSIBILITY TOWARDS THE COMMUNITY

SBS is aware of the delicacy of the activity it carries out and for this reason it pays due attention to both internal and external relationships.

11. VALUE OF HUMAN RESOURCES

The Addressees of this Code of Ethics are an essential factor for the success of the Company. For this reason, SBS safeguards and promotes the value of human resources with a view to improving and enhancing the assets, competitiveness and skills possessed by all human resources.

SBS intends to offer to all human resources: opportunities for personal and professional development, fair treatment and meritocracy, appreciation - without discrimination - of the personal characteristics of each individual and protection of its physical and psychological integrity.

12. RESPECT OF THE INDIVIDUAL'S PHYSICAL AND CULTURAL INTEGRITY

SBS guarantees the physical and moral integrity of its workers, employees and collaborators, by promoting working conditions which respect the individual's dignity as well as safe and healthy workplaces in conformity with D. Lgs. No. 81/08. As regards moral integrity, any behaviors aimed at inducing people to act against the law and the Code of Ethics or to adopt any conducts detrimental to the convictions and moral or personal preferences of others are not admissible or even remotely tolerable.

PART III

PRINCIPLES OF CONDUCT

This Code of Ethics intends not only to contain all the principles which inspire the ethical management of the Company, but also, and mainly, to gather the rules of conduct which all individuals who carry out to some extent any acts or facts in the name and on behalf of the Company (or only in the name of, or only on behalf of the Company) must observe whenever they use the good name of the Company in their dealings with third parties. For this reason, for implementation purposes only, it has been decided to list below the main areas in which to specify the most important principles of conduct which the Company undertakes to abide by:

1. Business management in general;
2. Human resources and employment policy;
3. Treatment of inside information;
4. Information on operational events and accounting data;
5. Conflicts of interest;
6. Relations with public authorities and institutions and other bodies representing collective interests;
7. Relations with customers and suppliers;
8. Relations with political organizations and trade unions;
9. Contributions and sponsorships;
10. Transparency of accounts;

1. BUSINESS MANAGEMENT IN GENERAL

Every operation and transaction made or carried out for the benefit or on behalf of the Company must be characterized by the utmost correctness from the point of view of management, completeness and transparency of information, legality in form and substance, and clarity and veracity of accounting data, in compliance with the applicable regulations and in accordance with the procedures adopted by the Company.

No form of gift is permitted that may reasonably be interpreted as exceeding normal business practices or courtesy, or is aimed in any way at obtaining favorable treatment in relation to any activity pertaining to the Company.

In particular, any form of gift which may affect the recipient's independence of judgement or lead them to ensure any advantage is strictly forbidden.

This rule, which allows no exceptions, concerns both promised and/or offered gifts, and those received; it must be noted that a gift means any type of benefit (the promise of a job offer, in the form of employment or consultancy, the provision of services, journeys, etc.).

Any gifts offered or received, which do not come within normal practice and are not of small value, must be adequately documented and communicated to the Supervisory Body for it to consider their appropriateness.

In carrying out any activity, any situations must always be avoided where those involved in dealings on the Company's behalf are or may be in a conflict of interest. In such a case, both the top supervisor and the Supervisory Body must be immediately informed.

Every individual is required to operate diligently in order to safeguard the Company's assets, using with care and responsibility the resources assigned to them, avoiding any improper use thereof which may cause damage or reduction in efficiency or which are otherwise contrary to the Company's interest.

The individual and collective behavior of all managers and directors in carrying out business - always pertaining to the Company's object - must be in line with the Company's policies and must be characterized by collaboration, social responsibility and respect for national and international laws with specific reference to the pursuance of the objectives and/or the completion of any operations.

Directors and employees must avoid any situations and activities in which a conflict may arise between the tasks and functions they hold within the structure they belong to and any personal interests they may have.

2. HUMAN RESOURCES AND EMPLOYMENT POLICY

2.1 Personnel selection

The evaluation of personnel to be employed is based on the candidates' profiles matching the Company's needs, with due regard for equal opportunities of all persons concerned.

To the extent allowed by the available information, SBS shall take appropriate measures to avoid any favoritism, nepotism or other forms of patronage in the selection and employment procedures (for example, the selection consultant should not be a relative of the applicant).

2.2 Establishment of the employment relationship

Personnel are employed under a regular contract of employment; no form of illegal or concealed labor shall be tolerated.

Upon establishment of the employment relationship, every collaborator shall receive accurate information regarding:

- type of contract;
- characteristics of the position occupied and tasks to be performed;
- regulations and salary;
- standards and procedures to be adopted in order to avoid possible health risks.

Such information shall be provided to the collaborator so that they can accept the job with full knowledge.

2.3 Personnel management

SBS avoids any form of discrimination against its collaborators.

In the process of personnel management, the decisions made are based on the correspondence between the expected profiles and the collaborators' profiles and/or on merit considerations, and, overall work efficiency permitting, a flexible work organization is favored in order to facilitate the management of maternity.

SBS provides all workers with information and training tools with a view to developing specific skills and maintaining personnel's professional value.

Involvement of employees in the execution of work is also ensured by providing for instances of participation in discussions and decisions functional to the achievement of Company's objectives. Workers are required to participate in these initiatives with a spirit of collaboration and independence of judgement. Listening to the different point of views, subject to the Company's needs, enables Management to take the final decisions; in any event, collaborators must always contribute to the implementation of the agreed activities.

2.4 Interventions on work organization

In case of reorganization of work, the value of human resources is preserved providing for, where necessary, professional training and/or retraining.

SBS therefore abides by the following criteria:

- the burden of work reorganization must be distributed as evenly as possible among all workers, consistently with the effective and efficient performance of the Company's activities.
- in case of new or unforeseen events, which must be specified anyway, a worker may be assigned different tasks to those performed previously, taking care of preserving their professional skills in accordance with the applicable regulations and national collective labor agreement (CCNL).

2.5 Health & Safety

SBS is committed to spreading and consolidating a safety culture by developing risk awareness and promoting responsible behaviour from all personnel; it also operates to preserve health and safety of workers, mainly through preventive actions.

SBS aims to protect the Company's human, capital and financial resources, constantly seeking the necessary synergies not only within the Company, but also with suppliers, other companies and customers involved in the Company's activities. In this regard, SBS implements a Workplace Safety Management System conforming to the international standard UNI ISO 45001:2018.

Furthermore, SBS is committed to constantly improving efficiency of the Company's structures and processes which contribute to the continuity of the services provided.

2.6 Privacy protection

Personal data protection is guaranteed by SBS through the adoption of the minimum security measures provided for by D.Lgs. 196/2003.

Any investigation of worker's ideas, preferences, personal tastes and private lives in general is excluded.

2.7 Protection of personal integrity

SBS is committed to protecting the moral integrity of its collaborators guaranteeing their right to working conditions which respect personal dignity. For this reason, it protects workers from acts of psychological violence and opposes any conduct or behavior which may discriminate against or harm any individual or their beliefs and preferences.

Sexual harassment is not tolerated and any behaviors or speeches which may upset someone else's sensibility must be avoided.

Any employee who feels that he or she has been subjected to harassment or discriminated against on grounds of age, gender, sexual orientation, race, health status, political opinions, religious beliefs, etc., may report the incident to the Supervisory Body, which will verify if any violation of the Code of Ethics has been committed, taking the appropriate decisions. However, differences in treatment are not considered as discrimination if they are justified or justifiable on the basis of objective criteria.

2.8 Duties of workers, employees and external collaborators

All workers, employees and collaborators (including business agents who collaborate with SBS) must act fairly in order to comply with the obligations set forth in the employment or consultancy contract and with the provisions of this Code of Ethics, ensuring the required performance.

All SBS's workers, employees and collaborators are required to avoid and refrain from taking personal advantage of business opportunities which have come to their attention during the performance of their functions.

By way of mere example, the following situations may lead to the violation of the aforementioned duties:

- occupying a top position and having economic interests with suppliers and/or customers, even through family members;
- taking care of the relations with suppliers and working with suppliers, even through a family member;
- accepting money or benefits from individuals or companies which have or intend to enter into business relations with SBS.

In the event that a situation arises, or even just seems to arise, which may lead to non-compliance with any work-related duties, the Supervisory Body must be immediately informed for it to verify, in the actual case, the existence of a situation of incompatibility with the status of worker.

Every worker, employee or collaborator is required to operate diligently in order to safeguard the Company's assets, by acting responsibly and in line with the operating procedures established to regulate their use, and documenting accurately such use.

In particular, every collaborator must:

- use with care and prudence the goods entrusted to them;
- avoid any improper use of the Company's goods (tangible and intangible) which may cause damage or reduce their efficiency or which are in contrast with the Company's interest;
- avoid the use of Company's goods by any individuals unrelated to the Company.

Every worker, employee and collaborator is responsible for the protection of the resources entrusted to them and has a duty to immediately inform the functional manager of any events harmful to the Company.

SBS reserves the right to prevent improper use of its goods and facilities through the possible use of accounting, reporting, financial control, and risk analysis and prevention systems, without prejudice to the observance of the applicable laws (privacy protection law, Workers' Statute of Rights, etc.).

Every worker, employee and collaborator must not delay or delegate to others the performance of the activities or the adoption of the decisions which are expected from them, and must limit absences from work to those which are strictly necessary.

As regards IT and telephone systems (hardware and software, telephone lines), all workers, employees and collaborators are required to:

- comply strictly with the provisions of the Company's security policies, in order not to compromise the functionality and protection of the IT systems;
- not send any threatening or insulting email messages and not to resort to inappropriate language;
- not express any inappropriate comments which may offend another individual and/or damage the Company's image;

- not visit any websites with indecent or offensive content;
- not use the Company's telephone lines for personal matters except in case of emergency.

All workers, employees and collaborators are required, at the workplace, not to operate under the influence of alcohol, drugs or substances having similar effects, and not to possess, use or transfer drugs on any basis. It is a conduct detrimental to the Company's image to engage in commercial activities of any level and any nature whatsoever.

2.9 Duties of agents

In addition to the duties set forth in paragraph 2.8 above, if applicable according to the law, agents shall limit themselves to the activities set out in the agency agreement, shall always operate in accordance with the law and the business practice, and shall refrain from any conducts - even though aimed at procuring a benefit to SBS - which may be regarded as a criminal offence. In particular, agents must always refrain from offering money, gifts or benefits (except those of small value) to natural and/or legal persons with a view to procuring any advantage to SBS in violation of the law.

3. TREATMENT OF INSIDE INFORMATION

All information and other material obtained by any worker, employee, or collaborator in relation to their employment are strictly the property of SBS.

Such information concerns the present and future activities, including any news not yet disclosed and any information and announcements even though soon to be disclosed.

SBS's workers, employees and collaborators are not allowed to use this information for their own benefit or for the benefit of their family members, acquaintances and, in general, of third parties.

Therefore, it is necessary to take great care not to disclose any inside information and to avoid any improper use of such information.

The information and/or any other kind of news, documents, data, etc., of a confidential nature, as connected to the acts and operations related to the various tasks or responsibilities, shall not be disclosed or used, let alone revealed, without express authorization.

4. INFORMATION ON OPERATIONAL EVENTS AND ACCOUNTING DATA

Completeness and clarity of accounting data, reports and financial statements are of primary importance in the relations with shareholders, with the third parties who come into contact with the Company, as well as with the supervisory bodies (if involved).

In particular, shareholders must not be regarded as a mere source of funding but as individuals who express their business and moral preferences depending on the Company's results, and for this reason, their interests must be protected through exact and truthful information.

In order to have a correct view of the Company's life, first of all, the basic information to enter into the account books must be complete, true, accurate and valid. The relevant entries must be recorded in a complete, true, accurate and timely manner, and must be verifiable at any time; they must also be capable of being easily reconstructed through appropriate supporting documentation. Such documentation should be carefully kept and readily available. All SBS's employees and collaborators are required to abide by these principles and to actively cooperate so that the same are complied with.

Any employee or collaborator in any way involved in the management of information on Company's operations who becomes aware of any omissions, falsifications or irregularities in the bookkeeping and in the basic records must report the same to the Supervisory Body.

The flow of information to third parties must be clear and complete and must meet the requirements of truthfulness, completeness, transparency and accuracy, in accordance with, within the limit of and in the manner required by the privacy protection law.

5. CONFLICTS OF INTEREST

Between SBS and the Addressees of this Code of Ethics there is a contractual relationship based on the principle of full and mutual trust; in the framework of such relationship, any employee or collaborator has a primary duty to use the Company's goods and his/her own working ability for the realization of the Company's interest, in accordance with the principles of this Code of Ethics.

The Addressees of this Code of Ethics must avoid any situation and refrain from any activity in which a conflict may arise between a personal interest of their own and the so-called Corporate interest, or which may interfere with or hamper their ability to take decisions in the Company's interest in an impartial and objective manner.

Therefore, such individuals must avoid any exploitation of their position and, in particular, they must avoid any risk of overlapping or interference of economic activities which may generate a conflict between an actual or potential personal and/or family interest on the one hand, and the position held and/or assigned to the individuals by the Company on the other hand.

By way of mere example, conflicts of interest can be determined by the following situations: the sharing interest of an employee or collaborator or their family members in activities connected with suppliers, customers, competitors or investors, as well as the use of information acquired while operating on SBS's behalf for one's own benefit or to the advantage of third parties and, in any case, in contrast with the Company's interest.

Any conflict of interest, even though indirect or potential, must be promptly reported to the Supervisory Body, for it to ascertain the existence and seriousness of the conflict so that the resulting effects, whether real or merely potential, may be eliminated or extenuated.

6. RELATIONS WITH PUBLIC AUTHORITIES AND INSTITUTIONS AND OTHER BODIES REPRESENTING COLLECTIVE INTERESTS

The Addressees of this Code of Ethics who, on behalf of SBS, maintain relations with State and Government authorities, with public institutions, whether Italian or foreign, with European Union or supranational institutions, as well as with other bodies representing collective interests and with the individuals representing the same, must operate in constant and strict compliance with the regulations in force in Italy and in the country where the relationship is maintained and must conduct their activity according to the general principles of fairness and transparency.

The Addressees of this Code of Ethics must take great care in dealing with the aforementioned persons, particularly in transactions relating to: tenders, contracts, permits, licenses, concessions, applications for and/or management of funds, however denominated, of public origin (national or European), management of job orders, relationships with supervisory authorities or other independent authorities, social security institutions, entities assigned to the collection of taxes, etc.

In the relations with the representatives of Italian or foreign Public Administration it is prohibited to, directly or indirectly:

- promise or make payments for purposes or aims other than those connected with the Company's object and tasks assigned;
- promise or grant gifts or gratuities, whether direct or indirect, not of small value (i.e. in excess of normal business practices or courtesy) or aimed in any way at obtaining favourable treatment in relation to any activity of the Company;
- promise or grant benefits of any kind in order to affect the independence of judgement or to obtain any advantage for the Company;
- hold a deceiving conduct which may mislead the Public Administration in the technical-economic evaluation of the products and services offered and/or provided;
- allocate contributions, grants or public funds for purposes other than those for which they were requested and obtained;
- alter the functioning of a computer or telecommunication system or manipulate the data contained therein in order to obtain an illicit profit thereby causing damage to the Public Administration.

The relations with the subjects listed above must be handled exclusively by the departments to which they have been assigned, in accordance with the Company's hierarchical and organizational structure and within the limits of the relevant powers and procedures.

7. RELATIONS WITH CUSTOMERS AND SUPPLIERS

7.1 Management of relations with Customers and Suppliers

The Addressees of this Code of Ethics must also comply with its rules as regards external relations. When dealing with subjects external to the Company, the Addressees of this Code of Ethics, when this is expected and required, must properly inform the third parties about the duties and obligations imposed by the Code of Ethics and must demand compliance with any obligations directly relating to their activities.

The information directed outside the Company must be truthful and transparent.

A straightforward and transparent relationship with customers and suppliers is a key aspect of the success of the Company, that should be pursued through the offer of high quality products and services and competitive market conditions in compliance with the rules of fair competition.

The selection of suppliers and the procurement of goods and services must be carried out in accordance with the principles set out in this Code of Ethics and with the internal procedures, in writing and according to the organizational structure. In any case, the selection shall only be made on the basis of objective parameters of quality, expediency, ability and efficiency.

7.2 Gratuities to customers, suppliers and consultants

In business relations with customers and suppliers, any payments, benefits, services of any kind whatsoever, whether direct or indirect, gratuities, favours and hospitality are strictly forbidden, unless their nature and value are not such as to compromise the Company's image and to be interpreted as aimed at obtaining favourable treatment beyond the standard market rules.

Professional appointments

The criteria adopted by the Company for professional appointments are based on the principles of competence, cost-effectiveness and fairness.

The remunerations and/or sums paid for any reasons to those who have been given a professional assignment must be properly documented and proportionate to the activity carried out, also in consideration of market conditions.

7.4 Money laundering prevention

The Company runs its business in full compliance with the legislation in force against money laundering and with the regulations issued by the competent authorities. For this purpose, the Company commits itself to refusing to carry out any transactions which give cause for suspicion from the point of view of correctness and transparency.

Therefore, the Company undertakes to:

- check in advance the available information on commercial counterparties, suppliers, partners and consultants, in order to ascertain their respectability and the lawfulness of their activity before establishing any business relationship with them;
- operate in such a way as to avoid any involvement in transactions that could potentially facilitate the laundering of money coming from illegal or criminal activities, by acting in full compliance with primary and secondary anti-money laundering regulations and internal auditing procedures.

8. RELATIONS WITH POLITICAL ORGANIZATIONS AND TRADE UNIONS

SBS does not support nor discriminate against, directly or indirectly, any political organization or trade union. The Company does not make any contribution, direct or indirect, in any form whatsoever, to political parties, movements, committees, political organizations and trade unions, to their representatives and candidates, apart from those mentioned in the relevant law provisions and in compliance with the forms, procedures and objects provided for therein.

The Company refrains from any form of pressure, whether direct or indirect, on politicians.

The payment of contributions to organizations and/or associations in respect of which there may be a conflict of interest is forbidden, except in those cases where a cooperation has been initiated through projects approved by the respective supervisory bodies and defined according to objective parameters and criteria of mutual interest, for purposes referable to the Company's object and with a clear and documented allocation of resources (sources and employments).

9. CONTRIBUTIONS AND SPONSORSHIPS

SBS will not grant requests for contributions and/or sponsorships except for proposals from openly non-profit organizations and associations having regular statutes and articles of association, being of high cultural, scientific or charitable value and having national importance or, in the case of local entities, involving a large number of citizens.

In any case, in selecting the proposals to be accepted, the Company shall take great care to avoid any possible conflict of interest, whether at personal or corporate level.

Contributions not consistent with the object of the relevant request are not allowed. The choice of contributions to be issued must be made by taking the utmost care to avoid any possible form of conflict of interest, whether at personal or corporate level.

10. TRANSPARENCY OF ACCOUNTS

The bookkeeping is strictly based on the general principles of truthfulness, accuracy, completeness, clarity and transparency of the data recorded.

Employees and collaborators must refrain from any act or omission which may violate directly or indirectly the principles set out in the preceding paragraph or the internal procedures relating to the drafting of accounting records and their representation outside the Company.

The Company undertakes to guarantee the utmost fairness and transparency in the management of any transactions with related parties, in conformity with the regulations issued by the competent Authorities.

The Company promotes the participation in training and refresher courses, with a view to informing and bringing the Addressees up to date on the rules and procedures governing the drafting and management of accounting records.

The Company's Financial Statements must strictly comply with the general principles of truthful and correct representation of the assets and liabilities, economic and financial situation, in accordance with the applicable general and special regulations.

The valuation methods comply with the statutory regulations and the generally accepted standards.

12. PRIVACY PROTECTION

The Company ensures the application and the constant updating of specific procedures aimed at protecting information. In particular, the Company undertakes to:

- ensure the proper separation of roles and responsibilities among the different persons in charge of the processing of information;
- classify information according to the different degrees of confidentiality, and to take all appropriate measures in relation to each phase of the data processing;
- enter into specific agreements (including non-disclosure agreements) with third parties that are involved in the gathering or processing of information, or that may come, in any way, into possession of confidential information.

Each Addressee is obliged to ensure the utmost confidentiality of any information acquired because of his/her working activity, also in order to safeguard the technical, financial, legal, administrative, operational and commercial know-how of the Company. In particular, each individual is required to:

- only acquire and process the information and data necessary for the purposes of the position held and directly related thereto;
- only acquire and process such information and data within the limits set out in the procedures adopted on this matter by the Company;
- keep the data and information in such a way as to prevent any disclosure to unauthorized persons;
- communicate the data and information in conformity with the set procedures or with the express authorization of the line managers and, anyway, in case of doubt or uncertainty, only after ascertaining (by consulting the line managers or by checking correspondence with business practice) that, in the actual case, the data or information can be disclosed;
- ensure that there are no absolute or relative impediments to the disclosure of the data and information concerning third parties connected to the Company by relations of any kind, and, if necessary, to ask for their consent.

The Company undertakes to protect the confidentiality of all information of any nature or content of which it has come into possession in the course of its business activity, by avoiding any misuse or improper disclosure of such information.

The Company undertakes to protect the personal data collected, stored and processed in the course of its activity, in full compliance with the provisions of D.Lgs. No. 196/2003 - "Codice in materia di protezione dei dati personali" ("Codice della Privacy").

PART IV

IMPLEMENTATION OF THE CODE

Within SBS, in conformity with D.Lgs. No. 231/2001, the task of monitoring the application and observance of the Code of Ethics and Conduct is entrusted to the Supervisory Body, which has autonomous powers of initiative and control.

The Supervisory Body operates with impartiality, authority, continuity, professionalism and autonomy, and may suggest any updates to the Code of Ethics also on the basis of suggestions submitted by the Addressees of such Code.

The Addressees of this Code of Ethics are required to report without delay any conduct non consistent with the principles of the Code of Ethics, attributable to any one of the Addressees of the Code. It is the responsibility of the Company to guarantee the secrecy of the informer's identity, without prejudice to the performance of the duties of the Supervisory Body, as well as to protect the informer from retaliation, unlawful influence, hardship and discrimination of any kind in the workplace, which may possibly result from the reporting of one or more violations of the rules contained in this Code of Ethics.

The "Organizational Model" for internal audit, to be issued and implemented by the Company's Management, shall mean the set of necessary or useful tools for guiding, managing and checking the Company's activities, directing them in order to achieve their objectives and effectively contrasting the impending risks.

In other words, the Company must adopt a control structure appropriate to its business activity, and must also have the tools and methodologies to tackle the business risks of any kind, by identifying, examining and managing them by means of appropriate corrective action plans.

As a whole, the Organizational Model of control must ensure "reasonable" certainty as to the compliance with State laws and internal procedures, the respect of Company's strategies and policies, the achievement of the set objectives, the protection of the physical and logical assets of the Company, a management conforming to the criteria of effectiveness and efficiency, as well as the reliability of the information on accounting and operations both within and outside the Company.

The body responsible for verifying the presence, effectiveness and functionality of the internal control system is the Supervisory Body.

As well as producing, updating and maintaining the internal control system, the Company's Management is responsible for spreading the "control culture", by involving in such culture their collaborators, each of whom will take the responsibilities related to the role played within the Company.

A particular value is recognized to the transparency, accuracy and completeness of the information contained in the financial statements. In this regard, every employee is required to cooperate so that the operational events are correctly stated.

Any worker, employee or consultant of the Company who becomes aware of negligence and/or falsifications as regards the accounts or the documents on which accounting is based, will have to report to their line manager, who shall immediately inform the above-mentioned Bodies responsible for verifying the efficiency and functionality of the internal control system, or shall inform directly and promptly the Supervisory Body.

Should this report prove to be deliberately unfounded, the employee will be subjected to disciplinary proceedings.

The Supervisory Body shall take care of the updating and application of the model, by ensuring its effectiveness through the conferred powers of "*initiative and control*".

In strictly operational terms, the tasks reserved to the Supervisory Body are essentially the following:

- continuous monitoring and observation of the models;
- control of their effectiveness;
- updating of the models;
- acquisition of information on the Company's functions exposed to the risk of crime;
- registration of periodic results and/or of anomalies occurred;
- reporting to Management in order to start disciplinary proceedings (in accordance with article 7, Law No. 300/1970 (Workers' Statute of Rights) and with the CCNL applied to employees, and with "atypical" procedures and sanctions for the contract work relationships) and consequently the imposition of sanctions.

PART V

CIRCULATION OF THE CODE OF ETHICS AND TRAINING/INFORMATION ACTIVITIES

The present Code should be brought to the stakeholders' knowledge through appropriate communication activities.

In order to ensure the correct understanding of this Code of Ethics by all concerned (workers, employees and collaborators of the Company), SBS shall organize and implement an annual plan of training and information intended to spread the knowledge of the principles and rules contained in this Code of Ethics.

The training/information initiatives shall be differentiated according to the workers' and collaborators' roles and responsibilities; for the new members of staff, a specific program is provided which sets out the contents of this Code of Ethics whose observance is required.

PART VI

VIOLATIONS OF THE CODE AND PENALTY SYSTEM

The Supervisory Body has the task of verifying and ascertaining any violations of the duties provided for by the present Code of Ethics.

Failure to comply with the obligations provided for by this Code of Ethics and Conduct may result in the application of disciplinary sanctions, which will be proposed from time to time by the Supervisory Body.

For any disciplinary sanctions against SBS's employees, the Supervisory Body will act on the matter taking into account the seriousness of the infringement committed by the worker, employee and/or collaborator, in compliance with the Legge 20 maggio 1970 n. 300 and with the provisions of collective agreement as regards the employees, and in accordance with the law in general as regards the collaborators.

1. WORKERS/EMPLOYEES

The non-compliance and/or violation of the rules of conduct set out in this Code of Ethics by the Company's employees constitutes a breach of the obligations arising from the employment relationship and gives rise to the imposition of disciplinary sanctions.

As regards the penalties to be imposed, it should be noted that they will be applied in accordance with the provisions of the law and the applicable National Collective Labour Agreement (hereinafter CCNL).

Such penalties will be applied depending on the circumstances under consideration and will be proportioned to their seriousness.

The investigation of such infractions, the management of disciplinary proceedings and the imposition of sanctions are the responsibility of the Company's departments and personnel empowered and delegated for this purpose.

2. DIRECTORS AND MANAGERS

In case of infringement by Company's directors of the rules of conduct set out in this Code, the Company will examine the facts and conducts and will take the appropriate actions against those responsible in accordance with the provisions of the law and of the applicable National Collective Labour Agreement, it being understood that such violations constitute a breach of the obligations arising from the employment relationship.

In case of violation of this Code of Ethics by SBS's managers, the Supervisory Body will take the appropriate steps in accordance with the law.

3. COLLABORATORS, CONSULTANTS AND THIRD PARTIES

Any conduct performed in violation of the provisions of this Code of Ethics by collaborators, agents, consultants or third parties related to SBS through a contractual relationship other than a contract of employment may even result, in most severe cases, in the termination of the contract, without prejudice to any claim for damages if such conduct causes prejudice to the Company, even independently of the termination of the contractual relationship.

PART VII

FINAL PROVISIONS

Any amendments to this Code of Ethics must be approved by the Board of Directors of SBS.

SBS shall inform all Addressees of this Code of Ethics through the communication channels deemed most appropriate, and shall publish it on the web.

Every member of the Board of Directors, as well as every employee, worker, collaborator and internal/external consultant, even if already a member of SBS's personnel, must sign for acceptance this

Code of Ethics. Regarding these latter subjects, the contents of this Code of Ethics shall be assumed as specific contractual obligations, providing for the right to terminate the same contract in the event of breach of the provisions of this Code of Ethics.

The reports can be sent by the following method:

- e-mail: organismodivigilanza@steelbeltsystems.it
- letter to be addressed to the Supervisory Body of SBS s.r.l. c/o SBS s.r.l.

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The Organizational Model and the Code of Ethics and Conduct were approved by the Board of Directors on 23 November 2012.