

# ETHICAL CODE

SANDENVENDO EUROPE S.P.A.

*Adopted by the Board of Directors  
at its meeting on November 29, 2013*

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## - INTRODUCTION -

This document is the general expression of the Corporate Policy and it includes the "Handbook of the Company Principles" (Manual of the Company principles) .

SandenVendo Europe S.p.A. (hereinafter also referred to as "**SVE**" or the "**Company**") fully aligns its operations with the principles contained in this Code of Ethics, and also according to the Legislative Decree no. 231/2001, which has introduced into our legal system the "administrative" responsibility of legal persons and corporations when violations are committed in their own interest or for their benefit and the commission of the same has been made possible by a so-called "Blame the organization" .

SVE is, however, convinced that ethics in business conduct is a condition for success and a tool for the promotion of its image which is a primary and essential quality for the company.

Therefore, SVE adopts this Code of Ethics, as a fundamental step towards the adoption and effective implementation of a model of organization, management and control expected by the Legislative Decree no. N . 231/2001 (hereinafter referred to as the "**Model**") .

# CHAPTER I

## - GENERAL REGULATIONS -

### 1. RECIPIENTS

The rules contained in this document are designed to ensure compliance with all relevant legal rules and the adoption of an ethical conduct, adequate and fair by all Company Representatives and by all those who, for whatever reason, work for the Company, even if occasionally.

The Company Representatives are Managing Directors, Statutory Auditors, Executives, Managers and any other employees, colleagues, suppliers and customers.

These persons (hereinafter referred to as "Recipients" and / or "Company Representatives") are therefore the Depository of the Code, inspired in their work by the principles of impartiality, fairness, honesty and transparency, in accordance with the "rules of law". Legal rules mean the legislative or regulatory rules that affect the Company activities.

## **CHAPTER II**

### **- ETHICAL PRINCIPLES -**

The Company accepts and conforms to the ethical principles (hereinafter, the "Principles") set out below:

- Compliance with applicable laws
- Equality and impartiality
- Professionalism and reliability
- Loyalty and good faith
- Quality of the person and of human resources
- Transparency and fairness
- Confidentiality
- Prevention of conflict of interest
- Health and safety at work
- Environmental protection
- Prevention of Money Laundering
- Protection of Competition
- Quality and security of products
- Protection of intellectual property

Recipients, in working and professional activities of the Company, conform their conduct to the principles set out above.

In no event shall the conviction to act on behalf or for the benefit of SVE justify behaviors that are contrary to the Principles above mentioned

#### **2. COMPLIANCE WITH APPLICABLE LAWS**

In work activities carried out for the Company the behavior of recipients are based on strict compliance with national, community and international laws.

#### **3. EQUALITY AND IMPARTIALITY**

In the management of various social activities and in all its decisions, the persons subject to this Code of Ethics must act impartially in the best interest of the Company, taking decisions with professional accuracy and objectivity on the basis of objective and neutral evaluation criteria

#### **4. PROFESSIONALISM AND RELIABILITY**

All of the Company's activities are carried out with diligence and professionalism.

Recipients are therefore called upon to carry out their own activities with adequate commitment to the responsibilities entrusted to them by protecting the image and reputation of the Company.

## **5. LOYALTY AND GOOD FAITH**

When carrying out professional activity the Company requires loyalty, respect and behavior in good faith, as well as the fulfillment of contractual obligations and required performances in accordance with the rules and guidelines issued.

## **6. QUALITY OF THE PERSON AND OF HUMAN RESOURCES**

Human resources represent for SVE an indispensable and precious value for its development. It considers the value of a person, protecting the physical and moral integrity and promoting a continuous growth of the technical and professional skills .

The Company protects, therefore, the value of the human being . In this perspective, SVE doesn't tolerate any discriminatory conduct or any form of harassment or personal or sexual offense . The Company undertakes , therefore , to ensure that the workplace can not present any form of discrimination based on age, sex, sexual orientation, disability , race, language , nationality, political opinions or trade union , religious beliefs or other personal characteristics not related to work.

The Company adopts however, criteria of merit and enhancement of skills, tasks and capabilities of the individuals in the selection and management of personnel.

SVE provides continuous training activities , with the support of teachers / external experts , for different departments , as well as training courses and training for new employees.

To update the professionalism of the employee to the significant changes made by the company , SVE provides the training and integration of training to all employees involved in this process , such as department or sector workers. Significant changes mean the introduction of new work equipment or machinery , new technologies , new hazardous chemical agents or of significant organizational changes (i.e. switching to a continuous cycle of work).

SVE provides equal opportunity to all employees , taking care to ensure that the authority is exercised with fairness and integrity , avoiding any form of abuse.

## **7. TRASPARENCY AND FAIRNESS**

Actions, transactions, negotiations and, more generally, the behavior of the recipients are based on maximum transparency and fairness.

In particular, every action, operation or transaction is properly recorded in the company's accounting system in accordance with the criteria set out by law and applicable accounting standards, duly authorized, verifiable, legitimate, congruent and adequate.

To ensure that the accounting data meet the requirements of truthfulness, completeness and transparency, for each accounting transaction an adequate and complete supporting documentation of the activity is kept on record, in order to allow:

- The accounting entries;
- The identification of the characteristics and reasons behind the transaction itself;
- The reconstruction of the decision-making process and authorization.

Each employee, to the extent of its jurisdiction, acts in a manner such that any data regarding the management of the Company is properly and promptly recorded in the accounts.

Each accounting record reflects the findings of the supporting documentation, which is properly filed and kept with care to be readily available.

## **8. CONFIDENTIALITY**

The Company ensures the management of the confidential information in its possession and shall refrain from using confidential information of third parties, except in the case of declared and informed consent, and, in any case, always in strict observance of current legislation regarding the protection of personal data.

In its communication to third parties of confidential information intended only for professional or business reasons, it is expressly declared to be confidential information, and the third party is requested to comply with the obligation of confidentiality.

Confidentiality is guaranteed, also maintaining absolute discretion on the data and information processed in execution of work activities.

## **9. PREVENTION OF CONFLICT OF INTERESTS**

In conducting activities all recipients avoid situations of conflict of interest. A conflict of interest means when an interest is pursued different from the Company's business or, activities are fulfilled that can, however, interfere with the ability to take decisions in the interest of the Company, or personal advantage is taken of business opportunities of the Company.

In the event of conflict of interest, all recipients without delay, will inform their responsible supervisor and will conform to the decisions taken in this regard.

## **10. HEALTH AND SAFETY AT WORK**

SVE promotes and ensures the health and safety at work of its employees and all those who access their offices and work environments .

The Company also undertakes to ensure working conditions that respect the dignity of individuals and workplaces that are safe and healthy , even through the distribution of a culture of safety and risk awareness , promoting responsible behavior by all in

compliance with the company procedures and accident prevention regulations in force.

In this regard, every employee is required, to personally contribute to the maintenance of a safe working environment in which he operates and to hold responsible behavior to protect himself and others .

For this purpose , the Company conducts information activities and training regarding safety , distinguishing the concepts :

- **Inform** : provide information deemed useful or functional , communicate and learn .
- **Training** : provide, through appropriate discipline, the requirements for an activity; establish a process to transmit knowledge with the aim of achieving the correct mode of behavior and work that put into practice the rules and principles of safety health and cleanness at work .

In general, each worker must know his work environment , the machinery , the installations, the substances used , the working procedures , the risks to health and safety in order to know what he is using and what can happen .

The Company has adopted a Safety Management System (abbreviated to SMS) meeting the requirements of Legislative Decree no. N . 81/2008 , therefore the assessment of risks and preparation measures for the prevention and protection is inherent in the system itself.

## **11. ENVIRONMENTAL PROTECTION**

The Company promotes productive policies that adapt the demands of economic development and the creation of value , of their business activities, with the need to respect and protect the environment.

SVE , in particular, considers of great importance the environmental protection and sustainable development of the territory in which it operates, in consideration of the rights of the community and future generations .

The Company is committed to consider, in the context of operational management and business initiatives , the environmental needs and to minimize the negative impact that its business activities have on the environment .

For this purpose the Company , in full compliance with existing environmental regulations , pays close attention to the following aspects :

- promotion of activities and processes as compatible as possible with the environment, through the use of criteria and advanced technologies in the field of environmental protection, energy efficiency and sustainable use of resources ;
- assessment of the environmental impacts of all activities and business processes ;

- collaboration with stakeholders, internal (employees ) and external (e.g .institutions) to optimize the management of environmental issues ;

- pursuit of environmental standards through the implementation of appropriate management systems and monitoring;

- take all necessary measures to strengthen the protection of human health and the environment from the harmful effects of chemicals.

## **12. PREVENTION OF MONEY LAUNDERING**

The Company conducts its business in full compliance with the laws in force, to oppose money laundering.

For this purpose, Recipients avoid from engaging in suspicious transactions in terms of fairness and transparency, and within the various relationships established by or on behalf of the Company, undertake to verify the reliability and integrity of its partners in business.

## **13. PROTECTION OF COMPETITION**

Aware that a healthy and fair competition system contributes to continuous improvement and development, the Company will comply with the rules in force in the field of competition and refrain from engaging in or promoting behaviors that may constitute unfair competition.

## **14. QUALITY AND SECURITY OF PRODUCTS**

The company pays attention to quality, security and reliability of its products to achieve customer satisfaction.

Recipients are therefore required to comply with the procedures specified in the system of quality management.

## **15. PROTECTION OF INTELLECTUAL PROPERTY**

The Company shall assure, in the implementation of the principle of observance of the laws, the compliance with internal, EU and international rules for the protection of intellectual property.

Recipients promote the proper use, for any purpose and in any form, of any intellectual property, including computer programs and databases, to protect copyrights and moral rights of the author.

For this purpose, it is forbidden to carry out any conduct aimed, in general, to the duplication or reproduction in any form without the right of the work of others.

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Furthermore, the principles set out above are one of the cornerstones on which the Sanden Group business has always been based, since 2004 it has distributed to all employees of the group its "Handbook of Company Principles", which contains guidelines of behavior that every employee of the company must follow. This document represents the core of this code of ethics and is shown below entirely in English.

#### Sanden Handbook Company Principles

1. Good Corporate Citizenship and Harmony with Society. We will grow a good corporate citizens, trusted by society and in harmony with the international community.☐
2. Respect for the Human Rights. We will build a corporate culture founded on respect for all individuals and human rights.
3. The Environment. We will endeavour to preserve the environment in every aspect of our corporate activities to ensure that future generations will inherit our beautiful, irreplaceable earth.☐
4. Corporate Ethics. We will conduct our corporate activities in a spirit of sincerity and fairness based on a strong sense of ethics☐
5. Safety and Health. We will enable our employees to achieve a healthy life style by creating an environment that assures their health and safety.☐
6. Customers. We will stand on the admire ability of engineering development and manufacturing, can offer products, systems and services, based on the QUALITY FIRST, that provide constant satisfaction to our customer around the world.☐
7. Employees. We will grow together with our employees by creating an organizational culture that encourages free and vigorous communication imbued with a spirit of respect for humanity in line with our corporate culture of challenge and innovation.
8. Shareholders and investors. We will respond to the trust and expectations of our shareholders and investors by expanding the Sanden Group, enhancing our corporate value and making our management more transparent.☐

9. Communities. We will respect regional customs and cultures around the world and contribute to the social and cultural development of the communities , which we are related with.☒
  
10. Suppliers. We will grow together with our suppliers as business partners who provide our customers with the best possible products, systems and services on the basis of fair and transparent relationships.

## **CHAPTER III**

### **- RELATION WITH THIRD PARTIES -**

#### **16. RELATIONS WITH THE PUBLIC ADMINISTRATION AND THE INDEPENDENT ADMINISTRATIVE AUTHORITIES**

Relations with the Public Administrations , with the independent administrative authorities and, in any case , any relationship of public character , both in Italy and abroad , are based on the most rigorous observance of the regulations of applicable law , the principles of transparency , honesty and fairness.

In relations with the Public Administration and the independent administrative authorities , the Company does not improperly influence public officials or public service representatives who deal with or decide on their own.

The Company bases its relations with the Public Administration and independent Administration, or entities entrusted with a public service , to a strict observance of the rules of law and regulations applicable and can not in any way compromise the integrity or reputation of SVE .

The Company prohibits , in particular, the following conduct contrary to the principles of this Code of Ethics :

- promise and / or offer gifts , donations in money or other benefits to public officials or their family members , aimed at obtaining favorable treatment for the Company , except in the case of commercial courtesy of small value or otherwise fall within the normal business practices always authorized by the person in charge ;
  
- force or induce others to give or promise , in favor of public officials or their family money or other benefits ;
  
- provide false information or omit to communicate significant matters, where required by the Public Administration and the independent administrative authorities .

These rules also apply in the relations with the judicial authority, its members , assistants and consultants.

## **17. RELATIONSHIPS WITH CUSTOMERS, SUPPLIERS AND PARTNERS**

The Company bases its relations with the **clients** to the full satisfaction of their needs, with the goal of creating a solid relationship based on general values of fairness, honesty, efficiency and professionalism. SVE is based on the principles of simplicity , frankness and completeness , avoiding the use of any misleading and / or improper procedure in the preparation of communications addressed to clients .

The Company manages relationships with suppliers and other business partners with fairness, honesty and professionalism, encouraging on going collaborations and strong and lasting relationships of trust and avoiding any corruptive phenomenon that can ensure the maintenance of the business with the Company.

In **dealings with third parties** any conduct that might adversely affect the company's image is prohibited such as , benefits (both direct and indirect), gifts and even acts of kindness and hospitality , provided that these risks are not of such a nature or closely associated with the good education that they can not be interpreted as aimed at obtaining favorable treatment .

In general, the legal **relationship with customers , suppliers and other business partners** is formalized in writing and, if requested by the type of relationship established , subject to verification of objective and subjective requirements established by law.

No Company Representative must, therefore, unlawfully offer or promise money or any other benefit , or in the name or on behalf of the Company, or personally , to persons, companies or corporations , for the purpose of inducing, rewarding , preventing or otherwise affecting any act or event in the best interests of the Company.

No Company Representative may solicit or accept the offer or promise of money or any other benefits from suppliers or customers , in connection with his job , with the assets of the Company or with his person .

## **18. RELATIONS WITH POLITICAL PARTS, TRADE UNIONS AND OTHERS**

The Company does not promote political parties and trade unions, nor gives donations of any kind, directly or indirectly. SVE disapproves, also, any form of participation of the recipients to associations whose purposes are prohibited by law and contrary to public policy and rejects any behavior directed just to facilitate the activity or program of instrumental organizations in the commission of crimes, even if such preferential conduct is necessary to achieve utility.

## **19. CONFLICT OF INTEREST**

In carrying out its activities the Company Representatives must avoid any conflict of interest that is any activity in which you pursue a personal or a third party interest, or

in any case conflicting or different than that of SVE or Sanden Group .  
Each Company Representative who considers to be in a situation of conflict between self-interest or third parties interest on one hand , and the interests of the Sanden Group on the other, should immediately notify the senior managers of the company where he works or the Supervisory Board , following the specific rules laid down by the Italian system .  
Company Representatives and other persons or entities, with the objective ability to influence corporate decisions must avoid to use , even if only implicitly, their position to influence decisions in their favor or in favor of third parties

## **CAPO IV**

### **- FINAL REGULATIONS -**

#### **1. VIOLATIONS AND SANCTIONS**

Company Representatives cannot implement, cooperate or cause the commission of acts prohibited by law , and in particular, the offense contemplated by Legislative Decree no . N . 231/ 01.

Company Representatives may not engage in, cooperate or cause the realization of acts which do not constitute by themselves a crime, but can even potentially become , or facilitate the commission.

Corporate Representatives are therefore required to know the rules , to refrain from conduct contrary to them , and to address any questions or complaints to their superior , to cooperate with the departments responsible for investigating violations and to demonstrate to the counterparties the existence of a code of Ethics. In all business transactions , counterparties must be informed of the existence of rules of conduct and must comply with them.

Violation of the rules of this Code of Ethics may be considered just cause of the disappearance of the fiduciary relationship of SVE and the Company Representative responsible for the violation , with the consequences of the law on the commitment with the company.

Compliance with the regulations of this Code of Ethics is an essential part of the contractual obligations of the employees of the Company in accordance with and by effect of art . 2104 cc

The Company punishes violations of this Code of Ethics, in accordance with the regulations of law relating to labor relations.

Any violation of the regulations of the Code of Ethics may constitute a breach of the obligations of employment or disciplinary offense, in accordance with the procedures provided for by art. 7 of the Workers' Statute and in compliance with the applicable Collective Labor Agreement , with all legal consequences , even with regard to the

conservation of employment , and may lead to compensation for damages arising from the same.

Respect for the values of this Code of Ethics, formalized in the relevant contractual agreements, constitutes an essential part of the obligations undertaken by all those who have business relationships with the Company. As a result, any violation will constitute grounds for breach of contract with all legal consequences.

The task of monitoring compliance with this Code of Ethics is entrusted to the Supervisory Body set up according to Legislative Decree no. 231/2001, which performs this task with impartiality.

And therefore Recipients are obliged to report to the Supervisory Board any violation or suspected violation of the regulations of this Code of Ethics of which it becomes aware.

## **2. APPROVAL, DISTRIBUTION AND CHANGE OF THE CODE OF ETHICS**

This Code of Ethics was approved by the Ordinary Assembly of SVE S.p.A and implemented by all companies in the group.

SVE is committed to foster and ensure adequate knowledge of the Code of Ethics, using all suitable means to inform the interested parties.. In order to allow anyone to standardize their behavior to those described herein, SVE provides an adequate path of information and training and an ongoing awareness about the principles and ethical standards contained in the Code of Ethics.

Any updating of the Code will be approved by the SVE Assembly