

**INTEGRATED COMPANY MANAGEMENT  
MODEL**

**ORGANISATIONAL, MANAGEMENT AND SUPERVISORY  
MODEL PURSUANT TO LEGISLATIVE DECREE NO. 231/2001**

**CORPORATE ETHICS AND  
CODE OF CONDUCT**

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# 1 INTRODUCTION

## 1.1 CORPORATE MISSION

The FRENER & REIFER Group is an innovative company that operates around the world. It produces high-quality, complex building envelopes for leading building contractors and investors to designs by internationally renowned architects.

As a modern corporate group, FRENER & REIFER GmbH aims to create substantial value for its clients, to be regarded by its employees as an excellent employer, and to be recognised by the public as a leading company.

## 1.2 ETHICS AND VALUES

This Corporate Ethics and Code of Conduct is part of corporate policy and lays down basic principles and rules of behaviour on the basis of the fundamental values that are central to FRENER & REIFER GmbH achieving its goals.

This Corporate Ethics and Code of Conduct is an integral part of the Integrated Management Model ("IMM") of FRENER & REIFER GmbH. The IMM has been holistically formulated so that it can be extended and adapted to suit changes in the corporate environment; details of the IMM are set out in higher-level handbooks.

The IMM covers each part of the company, their environments and interactions, as well as their control of appropriate management-, optimisation- and improvement models.

The most important elements of the IMM as they relate to this Code are defined in the next section.

## 1.3 DEFINITIONS AND ABBREVIATIONS

"Company" means FRENER & REIFER GmbH.

- o "Associated Company" means a company whose shares are owned by the Company or that owns shares in the Company.
- o "IMM" means the holistic Integrated Management Model of the Company that aims to secure the development of the Company's business activities.
- o "OMM\_231" means the Organisational, Management and Monitoring Model of the Company and its Associated Companies that seeks to ensure compliance with the Legislative Decree No. 231 of 8 June 2001 (as amended). The most important elements of this organisational model are:
- o "LD No. 231/2001" means the Legislative Decree No. 231 of 8 June 2001 (as amended), which sets out all possible legal offences for a company;

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- o **"Code"** means the Corporate Ethics and Code of Conduct, including any appendices, as amended from time to time;
- o **"Supervisory Board"** means the internal supervisory body as defined in LD No. 231 of 8 June 2001 (as amended) and appointed with effect from 4 August 2016; the Supervisory Board is responsible for overseeing the OMM.
- o **"IMS"** means the Integrated Management System of the Company and its Associated Companies that aims to control, regulate and improve the Company's business activities in line with the IMM.

**"Internal Stakeholder Group"** means a person or department within the Company that is subject to the provisions of this Code, namely:

- o **"Corporate Representative"** means a person or department within the Company or an Associated Company that carries out, for and on behalf of the Company, representative, administrative or management tasks within the meaning of LD No 231/2001 including, in particular, members of the management board, members of the audit committee, directors and authorised signatories.
- o **"Employees"** means persons engaged on the basis of a contract of employment by the Company or an Associated Company.
- o **"Management"** means any employee with managerial responsibility for one or more departments within the Company or its Associated Companies pursuant to the corporate organisational chart and applicable internal regulations.

**"External Stakeholder Group"** means a third party with whom the Company maintains a business relationship or shares a common interest:

- o **"Client"** means a third party who is interested in the products and or of the Company and who has the opportunity, on the basis of a contract or purchase order, to purchase, acquire or use for a limited duration the Company's products and/or services.
- o **"Supplier"** means a third party who, on the basis of a contract, a purchase order or any other service performance agreement, acts for and on behalf of the Company. This includes, in a general sense, subcontractors, consultants and other service providers.
- o **"Investor"** means a third party who provides the Company with equity or a loan as the basis for a financing facility.
- o **"Public Authority"** means a third party who acts in its capacity as a public body or as an entity tasked with performing a public service; the term public service shall include any activity that is managed in the same manner as an activity in the public sector but which does not entail the normal powers for doing so, excluding the performance of simple civil enforcement duties and purely material services.
- o **"Member of the Public"** means a third-party natural person or legal entity who does qualify as a Public Authority.
- o **"Competitor"** means a third party that offers Clients the opportunity to purchase, acquire or use for a limited duration products and/or services that are comparable to those of the Company.

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## 2 SCOPE OF APPLICATION

Against the backdrop of the Company's Integrated Management Model, the Code (German language version approved by a resolution of the board of directors dated 4 November 2016) builds upon the "Directive of the Italian Confederation of Industry for the Expansion, Management and Supervision of Organisations pursuant to Legislative Decree No. 231 of 8 June 2001 (as amended)".

### 2.1 PURPOSE AND APPLICABILITY

The Company has introduced this Code with the aim of ensuring the legal and ethical alignment of its business activities. Therefore, observance of this Code is vital to achieve the correct operational performance, to comply with current legislation and to maintain the Company's good reputation.

For this reason, the Company has undertaken to distribute the Code amongst Internal and External Stakeholder Groups, to improve continually the supporting management systems and, where necessary, to expand them in line with OMM\_231.

In addition to locally applicable laws, standards and business practices, the Code also applies to the activities of the Company and its Associated Companies that are carried out abroad.

### 2.2 APPLICATION

The regulations contained in the Code serve to augment the rules for behaviour that Internal Stakeholder Groups are required to follow as part of their duty of allegiance and good faith within the meaning of Articles 2104 and 2105 of the Italian Civil Code.

#### 2.2.1 Application of the Code for Internal Stakeholder Groups

These rules form an integral part of the contracts of employment for Employees, Management and Corporate Representatives.<sup>1</sup>

All Corporate Representatives and Employees of the Company and Associated Companies are required to observe fully the terms of the Code and the legal provisions in their behaviour towards each other and their relationships with third parties.

The Corporate Representatives shall be guided by the principles of the Code within the context of their administrative and supervisory tasks, and they shall ensure that the Code, and a comprehensive information system, is disseminated amongst Internal Stakeholder Groups.

Management shall draw on the principles contained in the Code in their conduct. As part of the appropriate supervision activities of subordinate Employees, they shall ensure that:

<sup>1</sup> also within the meaning of Art. 2104 Italian Civil Code "Worker diligence – A worker must act in the company's interest and in the interests of national productivity with appropriate diligence when performing a task".

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- the relevant tasks and associated responsibilities are performed in line with the provisions of the Code, thereby ensuring best practice within the meaning of the Code;<sup>2</sup>
- the requirements of the management systems used by the Company are fulfilled;
- improvement strategies and infringements are communicated in writing; and
- measures resulting from the recommendations and guidance of the supervisory board are carried out.

## 2.2.2 Application of the Code for External Stakeholder Groups

Representatives of Internal Stakeholder Groups that come into a contractual relationship with representatives of External Stakeholder Groups when performing the tasks required of them by the company shall be required:

- to inform these groups in an appropriate manner of the duties imposed by the Code;
- to require observance of the obligations deriving therefrom and as a direct result of their activities; and
- to inform their line manager or the Supervisory Board directly, as part of a transparent information management system, of any manifest behaviour by a third party that would jeopardise the terms of the Code so as to ensure that appropriate measures can be taken.

## 2.3 BREACH OF THE CODE

A breach of the Code is considered a disciplinary matter as it is seen as non-performance of a term of the employment contract. Consequently, it equates to a breach of the company's organisational, management and supervisory model.<sup>3</sup>

Any breach will result in appropriate disciplinary measures being taken and may also lead to compensation for any damages suffered by the Company in connection therewith as per the applicable legal provisions and the relevant collective bargaining agreements.

In order to prevent repeated breaches, an Employee may refer to a line manager and the Management, or directly to the Supervisory Board, in addition to the training measures relating to the interpretation or application of the Code.

## 3 FUNDAMENTAL PRINCIPLES

The Company's Integrated Management Model (IMM) sets out the culture, business model and strategy of the Company, as well as its organisational structure and relationships within the business and its corporate environment.

The Company is aware of its social responsibility and, against the backdrop of its management model (IMM), has formulated normative values and policies appropriate for its collaboration with Internal and

<sup>2</sup> Insofar as required, the Company shall promote the application of the Code through the introduction of specific clauses in each contract of employment requiring the Code to be followed.

<sup>3</sup> The Company shall monitor the actual observance of this rule and, where necessary, take appropriate disciplinary measures against Employees who breach this rule (in line with the applicable disciplinary rules set out in the collective bargaining agreement currently in force).

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External Stakeholder Groups, as well as strategic requirements for the operational implementation of its current business model.

A key facet of the IMM is the description of the interaction between the business and the State in its role as law-maker. Consequently, this Code is an important part of the IMM and, at the same time, OMM\_231, and it defines rules for conduct with regard to the relationships between different stakeholder groups as defined in the IMM.

Corporate Representatives and Employees of the Company and its Associated Companies are encouraged, or rather obliged, to follow the normative values in their behaviour and to conduct their tasks and duties within the scope of the requirements.

## 3.1 PRINCIPLES OF CONTINUITY

The application and company-orientated design of the IMM can be improved and updated in order to guarantee the continuity and further development of the Company's business activities.

On the basis of its corporate social responsibility and an appropriate level of risk awareness designed to protect its business activities, continuity is the most important principle within the Company's entire set of values.

### 3.1.1 Quality Focus

The main aim of the Company's business activities is to satisfy each client's individual needs.

To ensure quality and performance across all aspects of the value chain, the Company supports the creation and optimisation of an Integrated Management System (IMS) based on the Integrated Market Model (IMM) and in conformity with international standards and the standard of quality expected by the market.

### 3.1.2 Innovation Focus

A key principle of continuity is recognising the potential for further development of benefits for new and existing customer groups across all processes and workflows as part of the Company's business activities.

To guarantee an appropriate level of development, the Company supports the continual expansion of the Integrated Management System.

## 3.2 PRINCIPLES OF DILIGENCE

The Company and its Associated Companies, as well as each representative of the Internal Stakeholder Groups, undertakes to protect and safeguard the resources and property of the business within the meaning of the principle of continuity.

The principles of diligence also include those legal provisions designed to protect the Company in general, the environment, relationships with the public and Public Authorities, information and data, and, in particular, human dignity and health.

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All appropriately authorised Corporate Representatives shall draw up corporate principles that become part of corporate policy and take into consideration all the aforementioned aspects of the interaction between different stakeholder groups. This Code is an integral part of corporate policy.

**3.2.1 Risk Awareness**

The tasks of the Corporate Representatives and Employees shall be performed in a dedicated and professionally-disciplined manner. Each person shall make a contribution commensurate with his or her level of responsibility and aim for efficiency and effectiveness.

Each work task should seek to achieve an efficient economic management and use of corporate resources, taking into account the quality levels stipulated in the Integrated Management System and the recognisable risks.

**3.2.2 Legal Awareness**

Failure to observe the laws, regulations and current social norms of Italy and other countries in which the Company operates is a clear breach of the Company's set of values.

The capital and assets of businesses operated by the Company shall be managed and developed by applying all appropriate and discernible measures to guarantee full compliance with the applicable laws and regulations, as well as internal rules for conduct.

Internal Stakeholder Groups within the Company and Associated Companies are obliged to comply with all applicable regulations in Italy and other countries in which the Company operates. Under no circumstances may the interests and aims of the Company be allowed to prevail at the expense of legislation.

**3.3 SOCIAL PRINCIPLES**

**3.3.1 Integrity**

The principle of integrity requires compliance with the principles, values, rights and duties of all stakeholder groups involved in the business operations when dealing with each other and as required by law.

The Company's business practices shall follow the principles of loyalty, honesty, integrity, legality, transparency and efficiency. All stakeholder groups that act for and on behalf of the Company are obliged to act properly and with integrity.

Against the backdrop of this principle, Corporate Representatives and Employees are required to avoid situations that could harm other Employees or the Company when carrying out their own tasks.

**3.3.2 Impartiality**

The Company opposes any form of discrimination on the basis of a stakeholder group member's gender, nationality, race, religion, personal or political opinion, age, health or economic background.

In line with this principle, members of each stakeholder group must be treated equally when they collaborate.

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## 4 INTERNAL CODE OF CONDUCT

On account of the general principles and the general principle of legal compliance, this Code sets out rules for conduct to govern different internal relationships and interactions.

### 4.1 CODE OF SOCIAL CONDUCT

#### 4.1.1 Relationships with Employees and Preserving Human Dignity

The Company considers its Corporate Representatives and Employees as an invaluable asset for its continued existence, development and the success of its business operations, and it distances itself from any form of conduct that would undermine human dignity.

Against the backdrop of the principle of impartiality, the Company intends to create a working environment that is free from complaints and ethnic, cultural, ideological, sexual, physical, moral, religious or other forms of discrimination. The Company also intends not to discriminate against any employee based on union membership, marital status, gender identity or any other status protected by applicable national or local law.

Managers and Corporate Representatives are required, when performing their duties, to offer every Employee the same opportunities for work and professional development so as to maximise each person's effectiveness for the benefit of the Company and each Employee. In line with the principle of equality of opportunity, advantages based on friendships or relationships should be avoided.

#### 4.1.2 Relationships between Employees

The Company strongly disapproves of personal, psychological and physical harassment in any form, and it seeks to prevent such conduct as far as possible. Furthermore, there is a need to protect the personality and dignity of each Employee.

Personal harassment includes the creation of intimidating or hostile working conditions as a result of factors such as the failure to preserve human dignity through comments and/or actions, requests to perform illegal actions, unjustified interference in another's work, or obstructing another's chances to develop their career.

Employees who feel that they have been discriminated against should notify the Supervisory Board of the event, which will investigate of the specific breach of the Code and pass on recommendations for action to the appropriate Management.

Dissemination of the contents of the Code as part of regular training and sensitivity events is a key part of the corporate training policy.

#### 4.1.3 Protection of Employee Privacy

The Company is committed to protecting the private lives of Internal Stakeholder Group members in line with applicable laws designed to prevent the processing or sharing of personal data without consent of the data subject pursuant to the applicable legal provisions.

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The acquisition and processing, as well as the storage of information and personal data of Employees and other persons whose data the Company possesses, may only be carried out using an appropriate process designed to prevent an unauthorised person and/or institution from gaining access to this information and data.

**4.1.4 Personal Protection**

The Company undertakes to ensure a safe and healthy working environment and, in this regard, follows appropriate corporate policies.

Measures designed to prevent accidents and minimise health and safety risks aim to prevent work-related illnesses and accidents. All workstations and processes must be designed in line with the applicable standards, laws and regulations for occupational health and safety.

All Corporate Representatives and Employees are required to assist with the creation of a working environment that satisfies these criteria.

The Company strongly opposes any form of slavery, in particular child labour, in any part of the value chain, and it is committed to ensuring that the relevant External Stakeholder Groups follow the same principle.

**4.1.5 Protection from Alcohol, Drugs and Nicotine in the Working Environment**

During operational hours, the consumption of alcohol or other addictive or controlled substances is strictly forbidden on health and safety grounds. It is also forbidden to carry out work tasks whilst under the influence of such substances.

There is a strict no-smoking policy in force in the workplace. The Company supports efforts to create smoking areas designed to protect non-smoking Employees from the risks of passive smoking.

**4.1.6 Use of Company Property**

Material and immaterial assets, including any form of intellectual or industrial property, belong to the Company and should be protected using appropriate measures by Corporate Representatives and Employees.

Any representative of an Internal Stakeholder Group is, therefore, required to ensure that any property entrusted to him or her is used cautiously, monitored carefully, stored appropriately and protected properly against loss or misuse.

Company property, in particular operational equipment, telephony systems (telephone and internet), information systems, including databases, inventions, innovative processes, industrial secrets and other confidential information, must only be used in accordance with the applicable internal regulations.

Information and telephony systems may only be used by Corporate Representatives and Employees in line with the relevant laws. Company property may only be used for private purposes in those cases explicitly permitted by the aforementioned regulations.

Each representative of the Internal Stakeholder Groups shall be responsible for protecting the property entrusted to him or her, and he or she shall be obliged to inform the appropriate persons of any potential threats or events that could be damaging for the Company

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**4.1.7 Data Security**

The Company undertakes to deal correctly with all information it encounters as part of its corporate activities as part of the principle of continuity.

All Internal Stakeholder Groups are required to treat confidentially any information that they receive as part of their work and to ensure any External Stakeholder Groups comply with the same confidentiality obligations.

In general, the principle of diligence applies to the use of electronic and telephony systems. Consequently, the Company is obliged to invest appropriately in functioning and redundant/backup electronic infrastructure and security systems for its business activities.

Aside from this, Employees and Corporate Representatives who use corporate telephony and information systems must follow all internal regulations and have regard to any instructions or guidance issued by the responsible department.

**4.1.8 Ancillary Employment and Avoidance of Conflicts of Interest**

A representative of an Internal Stakeholder Group may pursue ancillary employment provided that it does not impair his or her work performance for the Company and where such employment has been expressly permitted within the terms of his or her contract of employment and approved beforehand by the Management.

Corporate Representatives and Employees may not carry out activities for their own account or on behalf of a third party during their contractual working hours, with the exception of specific instances or limits as agreed on a case-by-case basis.

On account of the duty of loyalty, Corporate Representatives and Employees must, in any event, refrain from pursuing any form of ancillary employment (whether paid or unpaid) that would give rise to a conflict of interest.

A conflict of interest will exist where one's ability to act in the best interests of the Company are substantially impaired as a result of a personal interest or activity that is inconsistent with the relevant duties owed to the Company.

Should a conflict of interest arise, each Employee and Corporate Representative is required to inform the relevant Management, department and/or Corporate Representative or Supervisory Board without delay. There must be appropriate justification for an activity that is performed despite the existence of an actual or perceived conflict of interest, and such justification must be documented and approved.

**4.2 ENVIRONMENTAL POLICY**

The Company is committed to protecting the environment as a primary objective.

Besides complying with the applicable laws and regulations, as well as agreements entered into with relevant External Stakeholder Groups (in particular, Clients) governing environmental aspects, the Company is dedicated to avoiding pollution and to improving the use of natural resources.

These aims are achieved through the rational use of natural, energy, water and material resources, by improving waste cycles, by reducing particulate and gas emissions, by utilising high-performance facilities and through the use of the most cost-efficient technologies. Residual risks are also kept to a minimum by appropriate maintenance of plant and machinery.

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## 4.3 BUSINESS POLICY

Interactions between the Company, its business activities and Corporate Representatives and the rest of the economy are subject to the general principles and must comply with the applicable legislation.

### 4.3.1 Relationships with Shareholders

The Corporate Representatives shall manage the business in line with the principles of integrity and diligence for the benefit of shareholders.

### 4.3.2 Relationships with the Compliance Department, Supervisory Board and other Audit Bodies

Upon request, the Corporate Representatives shall deliver to the Compliance Department, Supervisory Board or another audit body information that is correct and transparent to enable such bodies to carry out appropriate audits and reviews.

Those Corporate Representatives who are charged with releasing financial reserves or distributing dividends, or carrying out any financial transactions or other measures that affect the corporate structure, shall be obliged to act in a correct honest and transparent manner in accordance with the appropriate legal provisions. In so doing, it is necessary to preserve the interests of creditors and ensure the highest levels of care when evaluating information and data relating to the aforementioned activities.

### 4.3.3 Accounting, Reporting and Confidentiality

All accounting events and business transactions must be recorded fully and comprehensibly in line with the principle of transparency so as to enable an evaluation of the decision-making, approvals and implementation processes.

The corporate books must be maintained properly, completely and in a timely fashion in line with the corporate accounting policy to ensure an accurate depiction of the business situation, finances and assets.

For this purpose, all persons involved in the book-keeping and reporting departments must ensure that all information provided is correct and complete and that all data and records are accurate.

This principle must also be followed in relation to information about property or goods that are managed or held by the Company on behalf of a third party.

Book-keeping and reporting functions are subject to a duty of confidentiality, which shall continue pursuant to the applicable legal provisions even after the termination of an employment relationship with the Company.

### 4.3.4 Money Laundering, Terrorism and International Organised Crime

In particular, the Company strongly disapproves of:

- o all forms of use, concealment or conversion of funds derived from illegal sources;

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- o all forms of behaviour that represent an act of terror or could be linked to such an act, or any behaviour that seeks to overthrow the state; and
- o all forms of behaviour linked to international organised crime in general or with mafia connections (attempts to launder money or use of money, goods or property from criminal sources, such as smuggling or drugs trafficking, inducement to withhold evidence or give false testimony to the justice and/or law enforcement agencies, personal bribery or efforts to circumvent measures designed to prevent illegal immigration).

Any Corporate Representative or Employee who becomes aware of such actions or instances in the course of his or her activities must inform the Management, a Corporate Representative and/or the Supervisory Board immediately.

**5 EXTERNAL RELATIONSHIPS**

Rules governing relationships with External Stakeholder Groups are also formulated within the context of the principles of continuity and legal conformity as part of the Company's set of values. Corporate Representatives and Employees of the Company undertake to disseminate the Code in such a way as to ensure that External Stakeholder Groups are adequately informed of its provisions.

**5.1 PREFERENTIAL TREATMENT, BENEFITS AND GIFTS**

The use of gifts and preferential treatment or benefits must be appropriate and in line with ordinary business practice. Any advertising material provided by the Company shall only and exclusively be used to maintain the corporate image.

The same principles apply to the acceptance of gifts and the enjoyment of any sort of preferential treatment of benefit.

All gifts offered or accepted, or any preferential treatment or benefit given/received must be notified to a line manager and the Management without delay. The latter shall decide on the steps to take (in the case where something is offered) or on the use (in the case of a gift that has been accepted, or preferential treatment or a benefit that has been given/received). In any event, the recipient must not be induced to behave in a manner that is contrary to his or her duty or in breach of the law.

Corporate Representatives and Employees are, therefore, prohibited from accepting any form of gift, preferential treatment or benefit from a person outside the Company in relation to the making of a decision and/or the pursuance of an activity in connection with their own work.

In particular, Corporate Representatives and Employees are also prohibited from accepting or giving any form of remuneration to any person to encourage the performance of an activity that conflicts with that person's duties or the rules of behaviour. Where there is any doubt, the Corporate Representative should be asked to make a decision.

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## 5.2 RELATIONSHIPS WITH CLIENTS

The conduct of a Corporate Representative towards Clients shall be characterised by helpfulness, civility and courtesy, with the aim of achieving professional cooperation.

Complying fully with the regulations governing fair competition ensures that the market is offered quality products and services that satisfy the relevant conditions contained in each contract. The Company shall be free, however, to make special suggestions to ensure legal conformity.

The principles set out in the section entitled "Preferential Treatment, Benefits and Gifts" shall govern relationships with Clients.

## 5.3 RELATIONSHIPS WITH SUPPLIERS AND SUBCONTRACTORS

Procurement processes are characterised by the desire to achieve the greatest possible profitability whilst complying with the law. As part of the aim to achieve a level of quality in line with market expectations, there is a duty to invite tenders on a best-bid model and not always accept the lowest offer.

The selection of suppliers and the determination of purchasing criteria are based, on the one hand, on an objective assessment of quality, price and capability to provide and guarantee an appropriate level of services, and, on the other, experiences gained from delivery reliability, loyalty and suitability to perform the contract.

Where there is a justifiable doubt about the ethical behaviour of a supplier or subcontractor within the meaning of the Code, the Corporate Representatives should be informed so that they can take appropriate measures without delay.

These rules of behaviour apply, generally, to the supply of goods and services and, specifically, to the provision of consultancy services.

## 5.4 RELATIONSHIPS WITH INVESTORS

Equity finance providers, banks and financial markets are important for the development of the Company and its Associated Companies.

Whilst banks provide directly the requisite financing for business operations, financial markets can be a method for involving investors in the business.

In any event, it is essential that the representatives of these stakeholder groups are provided with correct, complete, transparent and accurate information. Only if the economic, asset and financial situation of the Company is portrayed clearly, is it possible to evaluate correctly the risks associated with a particular method of financing.

## 5.5 RELATIONSHIPS WITH PUBLIC AUTHORITIES

The right to contract with Public Authorities and public institutions is reserved exclusively to the relevant and appropriately authorised Corporate Representatives or departments. Such contracts may only be entered into if all applicable legal provisions and regulations are strictly observed.

For this reason, it is necessary to collate all documents relating to contracts with Public Authorities and to store them properly in accordance with statutory preservation periods.

As part of the principles of integrity and, in particular, transparency, it is not permitted when dealing with Public Authorities to submit false or misleading documents or to withhold information with a view

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to obtaining from Public Authorities contributions, finance or other benefits that are to the Company's advantage or in its interests.

Any direct actions (or actions carried out through a middleman with the Company's knowledge) that seek to influence the independence of a decision or to procure an advantage for the Company are strictly forbidden.

The principles set out in the section entitled "Preferential Treatment, Benefits and Gifts" shall govern relationships with Clients. The Company's reputation and integrity must not be jeopardised when interacting with Public Authorities. Activities in this regard must always be approved and appropriately documented.

**5.6 RELATIONSHIPS WITH THE PUBLIC – LABOUR MARKET**

When evaluating job applicants, the Company must observe the principles of correctness and good faith. It will evaluate a candidate's profile in line with current and future corporate requirements.

In so doing, it must maintain the principles of impartiality and, in particular, equality of opportunity. Information requested in this regard is closely linked to an evaluation of the suitability for the relevant job description and the candidate's personal and psychological characteristics, whilst respecting his or her privacy.

**5.7 RELATIONSHIPS WITH THE PUBLIC – MEDIA**

Relationships with the information and communication media organisations should only be managed by authorised persons in accordance with the Company's workflow and approvals processes.

Relationships with the media must comply with all legal regulations, the Code of Conduct, and the principles governing the relationship with public institutions outlined above.

External communication must be in line with the values of the business and promote the dissemination of information regarding programmes and projects, as well as the Company's corporate culture. Its aim should be the development and protection of the Company's image.

**5.8 RELATIONSHIPS WITH THE PUBLIC – POLITICS AND TRADES UNIONS**

The Company does not make any direct or indirect financial contributions to political parties, movements, political or trades union organisations or committees, or their representatives or candidates.

As an exception to the foregoing principles, the Company may make grants or contributions to bodies with social, moral, scientific or cultural aims.

**5.9 RELATIONSHIPS WITH COMPETITORS**

The Company recognises the value of competition when it is in line with the principles of correctness and fairness; it undertakes not to damage the image of Competitors and their products unnecessarily.

All forms of communication with the competition represent a potential risk for the Company. When contacting competitor organisations, the Corporate Representatives and Employees of the Company

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must avoid passing on internal or confidential information unless doing so is strictly necessary and linked closely to a specific set of negotiations.

In addition to this general risk, specific agreements with Competitors may infringe Competition laws.

In situations where the Company considers it possible to cooperate with a competitor organisation for the purposes of performing a particular task or providing a particular offer, then this organisation shall not be viewed as a Competitor. In any event, the Corporate Representatives must be fully involved in evaluating any suggestions that relate to collaboration with a Competitor.

## 6 IMPLEMENTATION

### 6.1 IMPLEMENTATION MEASURES

#### 6.1.1 Corporate Objectives for Implementation

To achieve the principles of the Code, the Company shall aim to implement the following:

- o maximum awareness and circulation of the Code;
- o consistent interpretation and implementation of the Code;
- o evaluation of notifications about a breach of the Code and use of sanctions in accordance with applicable legal provisions in the event of an actual breach;
- o avoidance of any form of repercussions for anyone helping to implement the Code; and
- o updating the Code, where required

Without prejudice to the powers conferred on Corporate Representatives by law, all representatives of Internal Stakeholder Groups are required to implement and/or contribute to the implementation of the Code for their role and within their areas of competence.

#### 6.1.2 Appointment of the Supervisory Board

As part of the adaptation of its organisation model to the requirements of LD No. 231 of 8 June 2001 (as amended), the Company has appointed a Supervisory Board with effect from 4 August 2016, whose task is to implement the principles of the Code.

Employees and Corporate Representatives are required to cooperate with the Supervisory Board and must ensure it has free access to any documentation that it considers useful.

#### 6.1.3 Training and Communication

The Code shall be communicated to all Internal and External Stakeholder Groups involved in the corporate mission by appropriate means.

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**6.1.4 Periodic Review and Modifications to the Code**

The Supervisory Board shall pass on to the Corporate Representatives recommendations for the Code and any possible amendments in the law that may require a revision to the Code.

The provisions of the Code will be amended by authorised persons and provided to the Corporate Representatives for approval. Substantial modifications will be notified to the affected parties in the appropriate manner.

**6.2 SANCTIONS AND DISCIPLINARY MEASURES**

**6.2.1 Functions of the Supervisory Board**

The Supervisory Board is tasked with investigating and evaluating any potential breaches of the responsibilities provided for by this Code. The Supervisory Board shall share its findings with the Chairman of the Board of Directors.

**6.2.2 Disciplinary Procedure**

Objections to a breach of the Code and any penalties arising therefrom shall be determined in accordance with Article 7 of Law No. 300 of 20 May 1970 (more commonly known as the Workers’ Statute) and – if applicable – the provisions of any employment contracts or agreements.

The aforementioned article provides the right for a person accused of breaching the Code to defend himself or herself and to present a counter view.

Depending on the severity of the breach by the accused, and irrespective of any potential criminal proceedings, the Company shall take appropriate measures in accordance with the collective bargaining agreement currently in force. The disciplinary rules contain the following considerations and assessments as per the collective bargaining agreement:

- o persons affected;
- o nature of the relevant breach;
- o sanctions ranked according to the severity of the breach that may be applied by the Company; and
- o procedure for objecting to a breach and the application of sanctions

There are four different sanction levels for self-employed Corporate Representatives, members of the Supervisory Board and auditors, ranging from a written warning through to termination of the service contract. There are six different sanction levels for Employees and Management, ranging from oral warnings to immediate dismissal.

Corporate Representatives and Employees will be informed of these levels as part of the awareness- and training measures.

**6.3 NOTICES, CLARIFICATIONS AND COMPLAINTS**

Corporate Representatives and Employees may notify the Supervisory Board at any time about a breach of the Code. The Supervisory Board shall investigate immediately such notice and question the informant as well as the person allegedly responsible for the breach and any other parties potentially involved.

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Without prejudice to its legal duties and in compliance with the provisions of any regulations or collective bargaining agreements regarding worker protection, the Supervisory Board shall be entitled to receive any applications for clarification or complaints.

All applications for clarification, complaints or notices about a breach shall be treated in strict confidence in line with the relevant legal provisions.

The Company has established appropriate channels of communication to facilitate the notification process for the Supervisory Board, in particular a dedicated email address (**organismodivigilanza@frener-reifer.com**), to which notices about non-compliance with the organisational model or the Code can be sent.

This address is also used to receive anonymous notices or notices where the sender's identity cannot be determined. In addition, notices can be submitted in writing, anonymously, to the following address: **Supervisory Board, FRENER & REIFER, Via Alfred Ammon Straße n.31 – 39042 Bressanone/Brixen (BZ), Italy.**

In all cases, the Supervisory Board shall ensure that an informant does not become a victim of discrimination, suffer repercussions or be disadvantaged in any way. Moreover, it guarantees an appropriate level of confidentiality (to the extent permitted by law).

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## 7 TABLE OF AMENDMENTS

Version Index of Changes	Date	Status	Comments
1.2	27.02.2018	Revision	Revision of 4.1.1 for US and UK
1.1	04.11.2016	Release	Approval by BoD
1.1	03.11.2016	Submission	Amendments by Management (regarding Preferential Treatment)
1.0	29.10.2016	Submission	Restructure
0.5	28.10.2016	Draft	Incorporation into Integrated Management System
0.4	21.09.2016	Draft	Revision of DE following comments
0.3	02.08.2016	Draft	Submission of DE
0.2	25.07.2016	Draft	Translation into DE
0.1	05.07.2016	Draft	Revision of IT
<b>0.0</b>	<b>30.04.2014</b>	<b>Draft</b>	<b>First submission of IT</b>

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