

# ETHICAL CODE

## INTRODUCTION

European Electromechanical Industries works in the field of repairing rotating electric machines, offering an efficient support to manufacturing industries, wherever positioned, private and public transport companies as well as different type of international enterprises.

In formalizing this code the company conforms itself to prescriptions of legislative decree n. 231/2001 (denominated below as “decree”) which came into effect on July 4<sup>th</sup> 2001, thanks to which legislator acknowledges what is established in international conventions related to legal person’s responsibilities.

The decree has introduced a responsibility regime at the expense of institutions deriving from committing crimes, unless the penal and/or civil responsibility of physic person (institution’s apical subject, subordinate, collaborator, etc.) who has committed the crime.

The administrative responsibility forecast referred to in the decree shall involves, in the repression of therein explicitly excepted penal crimes, authorities which benefit from committing the crime. Declaring companies’ shared values and principles, this Ethical Code (called below “the code”), which is part of the Organizational Model introduced by legislative decree 231/01 and strongly wanted by the company, defines ethical and behavioural responsibilities and tasks which the company assumes and carries out in its activity.

## TITLE I- GENERAL DISPOSITIONS

### **Art. 1 – Ethical code’s value**

The present Ethical Code’s norms binds the behaviour of everyone who relates with the company, on whatever basis.

It is duty of all of the addressees, better listed below, to know the content of this Code, understand its meaning and ask for advice and clarifications if necessary.

In no case can intentions of acting for company’s benefit justify the completion of commissive or omissive acts which are contrary to law or any other binding and applicable norm disposition or elsewhere incompatible with this code’s principles, values and dispositions.

The respect for this Code is included in each of the addressees' duties and the violation of its norms will be on their own responsibility. Once it is published, with ways precised below, this Code is considered legally known by all of the addresses.

This Code's norms prevail on eventual unfavorable instructions issued by the internal hierarchical organization.

### **Art. 2 – Purposes**

The Code highlights the group of values, principles and behaviours, as well as the most important rights and duties which regard everyone who serves with full rights the company.

In taking care of these principles and values' observance, the company seeks these purposes:

- To guarantee the equal, transparent and efficient management of commercial, economical and financial transactions;
- To avoid and prevent from the completion of irresponsible and illicit acts and also of incorrect commercial practices of people who work for the company;
- To value and guard the company's image and reputation promoting the creation and maintenance of a trustworthy atmosphere with internal and external stakeholders;
- To advance the management and organization of company's activities inspiring to efficient and effective principles to obtain the best result in output terms from a quantitative and qualitative point of view;
- To give a concrete fulfillment of Constitution's prescriptions, of sector's laws and normative with a particular reference to the protection of workers' most important rights.

### **Art. 3 – Application sphere. Diffusion**

The addresses of this code are:

- Social authorities, the Administrative Organ, board of statutory auditors and all of the other authorities which are present in company's governance structure;
- "Quality and Environment Management process" 's person responsible who is dependent to AU and assumes the total responsibility of application, implementation and maintenance of this system and of the activity relied to it.
- Prevention and Protection Service's person responsible who carries out activities which are provided for in art. 33 of legislative decree 81/08.

- Company's personnel, that is to say, employees (administrators and labours) at any level, and partners, leaving contractual typology of collaboration aside.
- Consultants and suppliers of goods and services, even professionals, advisors and out of staff employees and anyone who supplies performance to company;
- Third parties which, despite not working for the company, relate with it (for instance, customers).

All of the addresses, without any exception, uniform their conduct, according to their responsibilities, to this code's principles.

The company undertakes to give out this code to all of the addresses, with means which are considered suitable, through specific and appropriate communication activities, guaranteeing the right interpretation of its dispositions and furnishing the necessary instruments to implement them as well.

The company will verify and monitor code's application and take on to start a periodic training plan on themes related to it. This code is visible to public on website [www.ieegroup.it](http://www.ieegroup.it)

#### **Art. 4 – Role of organism of surveillance. Signalling obligation**

The company undertakes to guarantee the respect of this code's norms through the establishment, respecting provisions of legislative decree n. 231/2001, of an organism of surveillance whose function is to oversee and monitor code's fulfillment as well as warnings management.

All of the addresses of this code are compelled to signal to this organism promptly, via email ([odv@ieegroup.it](mailto:odv@ieegroup.it)), any behavior which is contrary to law (or other applicable and binding normative) or incompatible with values, principles and dispositions of this code.

The person who signals is protected from every type of retaliation, discrimination or penalization. The privacy of their identity is guaranteed, except for obligations of law or company's rights and wrongly or disingenuously accused people's protection.

## **TITLE II- BEHAVIOURAL PRINCIPLES**

### **Art.5 – Legality and Honesty**

The company works in full compliance with constitutional principles, laws, uses and commercial customs and, in general, with all of applicable national and international regulations.

All of the addressees, specified before, are obligated to know and respect norms related to their activities' execution. They have to assume a correct, loyal and honest behaviour,

both in internal and external relationships, avoiding to pursue illegal and illicit aims or to move in actual or potential conflict of interests' situation to seek an undeserved, one's own or of third parties, advantage.

#### **Art. 6 – Impartiality and non-discrimination**

In its relations with interlocutors, partners, Public Administration, private customers, surrounding community and Institutions which represent it, in the management of personnel, in the organization of work, in the selection and management of suppliers, IEE avoids discriminations related to age, gender, race, health, nationality, political and religious ideas and works inspiring itself to objectivity, transparency and impartiality criterions.

#### **Art.7 – Transparency and correctness**

The company assures that its representatives and collaborators show in all of the relations, both internal and external, clarity, correctness and diligence. To this purpose, it undertakes:

- To furnish information, notices and clear, precise, real and correct instructions from a financial, economical, political, ethical, juridical and social point of view;
- To assure each business operation's traceability thanks to the adoption of processes which guarantee the correct registration, collection of data, and preservation of the relative documents;
- To control that each contract with internal and external subjects contains ever understandable, clear and correct clauses.

### **TITLE III- HUMAN RESOURCES**

#### **Art. 8 – Personnel selection**

IEE company considers human resources an indispensable element for its existence and to reach for its purposes.

It chooses each employee, collaborator and manager according to their technical preparation. Personnel selection shaped around the respect of equal opportunities and of ability acknowledgement, is free from whatsoever form of favouritism and is aimed to identify and obtain valid resources that have the necessary profile for company's needs.

#### **Art. 9 – Human resources management**

IEE respects dignity and moral integrity of each employee or collaborator: it doesn't tolerate requests or threats to persuade to act against the law and this code, not even psychological violence or discriminatory or harmful behaviours.

The company works for developing each employee's ability and skills so that their energy and creativity find expression in the concrete realization of their potentiality.

The company guarantees equal opportunities of work, according to professional titles and efficiency without any discrimination, choosing, selecting, taking on and paying employees depending on competence and meritocracy without any political, union, religious, racial, of language and gender discrimination, respecting applicable norms.

All of employees/collaborators are obligated to act loyally, to respect contractual obligations and to conform to the code. Notably, employee/collaborator has to know and actualize what is provided for company policies on the information safety theme and to guarantee its integrity, to work diligently in order to defend company's goods, using them with diligence and scruple avoiding improper uses.

#### **Art. 10 – Professionalism development**

The company undertakes so that the relation with human resources could be constantly cultivated respecting this code's values. For this purpose, the company guarantees the best conditions to value attitudes and enlarge competence, knowledge and professionalism of everyone.

The firm considers training an essential instrument for employees' professional growth and the constant improvement of services' quality, protecting environment and guaranteeing safety on work.

It identifies training and awareness as necessary instruments to develop a high degree of professionalism, behavioural models and ways of thinking intended to improve the Integrated Management System and safety management. It assures, at the same time, that the personnel who occupies of product's quality, of environmental impacts or safety at workplace has received an adequate degree of instruction or training.

#### **Art. 11 – Interpersonal relations**

In interpersonal relationships between employees or collaborators, the company requires a behaviour based on loyalty, confidence and reciprocal collaboration. In the field of this company culture, the firm undertakes to share with its personnel difficulties

relied on productive dynamics, in order to develop and promote forms of collaboration and support between experienced employees and new hired ones.

### **Art. 12 – Environment and safety**

The correct management of environmental impact is become for the company a necessary path to go through in a determinate way, without any deviations and change of mind, constantly searching for the improvement of every activity and business process, evaluating the environmental effects and safety impacts and analyzing all of the relevant bearing that these activity could have on environment and safety.

This is the only possibility to be sure to offer on an ever demanding market, services which are up to every customer, in a upright context without generating negative environmental impacts.

IEE company guarantees collaborators' physical and moral integrity, work conditions which are respectful of individual identity, and safe as well as salubrious workplaces, fully considering the applicable regulation of injury prevention and workers' protection into the workplace. It carries out its activities in technical, organizational and economical conditions apt to assure un adequate injury prevention and safe workplace.

The company undertakes to give out and consolidate a safety culture, developing risks awareness and promoting responsible behaviour from everyone.

IEE establishes, realizes, supports and updates integrated management system for quality and environmental respect trying to efficaciously and continuously develop and improve according to norm UNI EN ISO 9001:2008 and UNI En ISO 14001:2004.

Particularly, IEE:

- Has defined the quality policy identifying the objectives and tasks which wants to maintain respecting customer's needs and expectations so that it will solidify a continuous improvement of company processes' efficiency and quality, demolishing environmental risks and reducing pollution and non-quality costs;
- Has defined the environmental policy in which it has expressed:
  1. The task of continuous improvement and pollution prevention;
  2. The definition of environmental areas and factors on which is focalized the company's task according to business reality;
  3. The task of respecting applicable legal prescriptions and other ones subscribed by the company, which regards its own environmental aspects; the task of improving (the organization, the system, the environmental performances);
  4. The task of continuous improvement and pollution prevention;

5. Has identified the necessary processes and methods for their application, in the field of the Integrated Management System's organization;
6. Has defined criteria and methods of measurement, supervision and analysis of environmental aspects and impacts to realize the necessary actions to achieve the predetermined environmental goals;
7. Has established their interactions and sequence as well as the necessary criteria and methods to assure the efficient processes' functioning and control;
8. Has realized the necessary actions to pursue the planned results and processes improvement according to procedures' indications;
9. Has assured the availability of information and necessary resources to support processes' functioning and monitoring.

The addresses of this code contribute to prevent risks and to protect health and safety for themselves, the colleagues and third parties, except for the individual responsibilities in accordance with the applicable dispositions of law.

In the area of company activities is effective the absolute prohibition of abusing of alcoholic substances or drugs and the ban on smoking in the workplace and everywhere smoke could be a danger for company goods and structures or for users, third parties and colleagues' health or safety.

#### **TITLE IV- EXTERNAL RELATIONS**

##### **Art. 13 – Relations with public administration**

Company's relationships with Public Administration are inspired to the rigorous observance of law's dispositions and applicable regulations and cannot compromise the enterprise's safety and reputation. The assumption of tasks and the management of every kind of relationships with Public Administration are reserved to company functions and personnel in charge. In the relations with public subjects, it is not permitted to representatives, employees or collaborators to offer or pay out, directly or through third parties, money or every kind of present to compensate or repay functionaries or representative of public service or other employees of Public Administration (or other Public Institutions) or their family for acts of their exercise or to obtain the execution of an act which is contrary to their duties.

The procedure with PA and the eventual connected management of financial resources can be done only by the authorized company functions and people delegated by the Unique Administrator, in case it regards sensitive activities at high risk for instance,

competitive tenders, concessions, authorizations, licenses, orders management, penal, administrative, civil processes, relations with social security departments, etc.

In the matter of public fund's distribution:

- It is not permitted to use or present statements or documents which attest not real facts or news or to omit information in order to pursue, for somebody or firm's advantage, donations, financings, or other allowed supplies, from the State, a Public Institution or European Union;
- It is explicitly prohibited to use donations, financings or other supplies, granted to company by the State, a Public Institution or European Community for different purposes from which they are assigned to.

In the matter of competitive tenders' participation, it is required:

- To work according to correctness, transparency and good faith's principles;
- To evaluate the performance request's adequacy and feasibility, at the moment of tender notice's exam
- To entertain clear and correct relations with PA functionaries in charge.

In case of financing award, it is necessary to guarantee:

- The clear and correct implementation of what is expected from the announcement
- The punctual and diligent fulfillment of contractual obligations, even toward third parties.

Direct notices to Surveillance and Control Authority and to Guarantor Authority must be promptly realized and answer to clear, complete and correct requisites.

#### **Art. 14 – Relations with customers**

The management of relationships with customers is relied to the development of durable confidence and is focused on the identification and satisfaction of individual needs. Relations with customers are inspired on the prevention from fraud and company's manipulation in order to recycle money which comes from illicit activities.

The company, in all of its activities, to manage its private and public relationships with customers and to guarantee the concrete application of correctness and transparency's principle, imposes to its personnel the fulfillment of these duties:

- To scrupulously respect Ethical Code and Organizational Model's laws, regulations and principles, considering most importantly customers' needs;
- To avoid, always and wherever, every situation of conflict of interests with the company;

- To notice in short times, eventual changes and variations related to service's performance;
- To stipulate contracts with customers which are clear, simple and conform to the applicable norms and eventual indications of public Authorities, without clauses which can alter equality between the parties.
- To promptly notice to their own hierarchical superior, to the Unique Administrator or to Organism of Surveillance, all of the elements and information which can prove an incorrect , little transparent and in bad faith customer management.

The company guarantees to its customers, the constant control of service's quality both:

- Thanks to the adoption, the maintenance and the updating of quality system ISO 9001 and 14000;
- By planning periodical surveys on customer satisfaction to assure a commercial and technical service which is as conform to customers' needs as possible.

#### **Art. 15 – Relations with suppliers and contractors**

The purchasing processes are marked by the research of the maximum advantage for the company and by the concession of equal opportunities to each supplier, in order to be constantly impartial and loyal.

The selection of external supplier enterprises, of contractor firms which work inside the company, of third parties which carry out activities for it, waste management, laboratories, etc. is based on testing technical, administrative and management requirements.

The choice is done following the usual criterion of:

- Possession of eventual authorizations provided for by the law;
- Technical and professional suitability;
- External enterprise's experience, reliability, seriousness and professionalism;
- Cheapness of enterprise's offer related to work to commit;
- Environmental reliability of the supplier.

Once suppliers have been selected, they are evaluated, tested and qualified from the point of view of quality and environmental approach with ways specified in the integrated quality and environment system.

Suppliers' performances are controlled through periodical revaluations and an exam on the qualitative evolution of their supplies, valuing the respect of delivery time and the "nonconformity" of materials, products and services.

To all suppliers, included those related to consulting services, is asked to share and respect this code and, in case of noncompliance, is adopted the relative sanction system.

#### **Art. 16 – Relations with unions and associations**

IEE company doesn't promote and grant any financings to political parties, unions and associations, neither to their representative or candidates, if not in the forms and ways provided for by the law. In each case, the distribution of the donation presumes an Administrative Organ's resolution and the decision of a clear and documentable destination of resources.

All of the relations which the company entertains with unions, associations and political parties are based on the respect of transparency, independence, loyalty and collaboration's principles of this code, creating all of the necessary actions to avoid every kind of conflict of interests.

### **TITLE V- FINANCIAL RESOURCES AND ACCOUNTING TRANSPARENCY MANAGEMENT**

#### **Art. 17 – Control principles: segregation, traceability and transparency**

Financial resources management must occur respecting the conferred proxy, as well as eventual specified authorizations to do particular operations.

The accounting transparency is founded on existence, care and completeness of basic information for the relative accounting registrations. The Unique administrator, each employee, collaborator and service supplier have to work so that management facts are correctly and promptly represented in the accounting.

Each operation must be conserved in adequate documents in the minutes to support activity carried out in order to permit:

- the easy registration in the accounting;
- the identification of different degree of responsibility;
- the accurate reconstruction of the operation, even to reduce interpretative mistakes' probability.

The company seeks correctness, transparency and veracity of the balance and of relative attached documents as essential and binding values realized even through tests made by the board of statutory auditors.

All of the subjects must promptly inform, with adequate communicative canals, their own responsibility of eventual omissions, falsifications, and negligence in accounting or in the documents on which are based the accounting registrations.

Signal must be done even to AU of the company and to ODV.

One of the central aspects which qualify IEE conduct is constituted by the respect of behavioural principles apt to guarantee the integrity of the social capital and the protection of creditors and third parties which have relations with the company. These values are protected even by penal norms which in Italy, in accordance with the legislative decree 231/01, can represent a responsible source for IEE where crimes are committed for company's interests.

To this purpose, it is prohibited for the company exponents to create, collaborate or give cause to act with behaviors which lead to the art. N.25 ter of legislative decree 231/01 and create, collaborate or give cause to act with behaviors which even if don't result to be considered crime, they will potentially become crime or behaviors which can facilitate above-mentioned crimes. In relation to the new particular case of crime "corruption between privates", the company undertakes to define in the best way possible transparent criterions to determine a maximum price of offer per product or service, in order to individuate any anomaly. In information flows discipline the Organism of Surveillance will proceed to communicate sale operations which go beyond a given amount.

## **TITLE VI- DISCIPLINE**

### **Art. 18 – Disciplinary system**

This code's principles are part of the conditions which regulate work relationships inside the company.

Therefore, these principles' violation damages the confident relationship between the company and the transgressor and it will be prosecuted with promptness through adequate disciplinary processes which are respectful of laws, autonomously from the eventual penal relevance of conducts which are object of protest or from the introduction of a penal process where a crime hypothesis takes place.

It follows that eventual violations, even after controls made by organs which are appointed to internal control, will create a series of sanctions adopted on proposal of the Organism of Surveillance instituted in accordance with legislative decree 231/01.

Code's observance constitutes an integral part of mandate conferred to Social Organs and to personnel in senior position, who are liable to disciplinary sanctions proportional to noncompliance seriousness.

The lack of respect for this code's norms by collaborators and suppliers will cause the dissolution of the contractual relation.