



**KLOPMAN
INTERNATIONAL
S.r.l.**

CODE OF ETHICS

ex Leg. Dec. 231/2001

**Approved by the Board of
Directors by resolution dated**

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INTRODUCTION

Following the entry into force of Legislative decree no. 231 of 8 June 2001, which expressly introduced into Italian legislation the liability of organisations for corporate crimes, **Klopman International S.r.l.** (subsequently "**Klopman**" or the "**Company**") prepared this Code of Ethics, compliance with which is of fundamental importance for the Company's proper operations, reliability and reputation and which represents the principles for the conduct of all individuals working for and with the Company.

The purpose of this Code of Ethics is to declare and disseminate the values and rules of conduct which Klopman intends to refer to constantly in the performance of its business operations.

All Klopman operations must be performed in compliance with the law, honesty, probity and good faith, respectful of the rights of third parties, employees, shareholders, *commercial and financial partners* and in general, whoever is involved in Company activities.

Any individual working in the Company, without exception or distinction, is required to comply with and oversee compliance of such principles in fulfilling their roles and responsibilities.

In no event may the intention of acting in the Company's interest justify adopting conduct that is contrary to these principles, or to the ethical requirements described below, and against the internal procedures/regulations of all company activities.

GENERAL REQUIREMENTS

Article 1

Scope of application and Recipients

1. This Code of Ethics (subsequently the "**Code of Ethics**" or, less specifically, the "**Code**") has been approved by the Klopman Board of Directors and forms an official Company document.
2. The principles and provisions of this Code form specific examples of the general obligations of diligence, probity and lawfulness that are a requirement in the fulfilment of work tasks and conduct in the work environment.
3. This Code is binding and must be observed by all personnel working for the Company or by any individual acting in the name and/or on behalf of the Company, wherever performed, whether in Italy or overseas, including individuals that perform roles of representation, administration or management of the Company, the Auditors, collaborators, including occasional, representatives, agents and external intermediaries or consultants acting in the Company's interests.
4. Specifically, the members of the Board of Directors of the Company are required to act according to the principles of the Code of Ethics in setting the Company's objectives, proposing investments and realising projects, and in any decision or action relating to the management of the Company in general.
5. Equally, managers, in implementing the management activities, must act according to the same principles, whether within the Company, thereby reinforcing cohesion and the spirit of mutual collaboration, or vis-a-vis third parties who come into contact with the Company.
6. For the purposes of this Code, all individuals/entities bound to observe the ethical principles shall be referred to as "Recipients".

Article 2

Communication

1. The Company undertakes to disseminate and promote awareness of the principles and regulations of the Code of Ethics to the Recipients via the appropriate communication activities. The Company will inform the Recipients on the provisions and application of the Code, and will urge them to observe it.
2. More specifically, the Company will provide all Recipients with a copy of this Code and notify its adoption via communications posted on company noticeboards.

A digital version of the Code may also be consulted on the Company website and server.

For its collaborators the Company may also:

- inform such individuals of the obligations that the Code requires, by giving them a copy, confirmed by a signature of the associated letter of commitment by the Recipients;
- require them, whether natural or legal persons, to comply with the rules of the Code of Ethics;

Article 3

Responsibilities

1. The Company:

- when carrying out its operations, shall respect and follow the provisions of this Code of Ethics, the Management model within the spirit of Legislative decree 231/01 (subsequently the "**Model**"), business procedures and current regulations and shall comply with the general principles of probity, honesty and transparency, avoiding the onset of conflicts of interest;
- pursue its objectives with transparent and ethical conduct, fully respectful of *all stakeholders* and with a commitment to the growth of economic, social and environmental values;
- considers conduct as illegal or unacceptable when it is inappropriate for the achievement of its financial objectives, which are pursued solely via excellence of performance in terms of quality and convenience of services and products, based on experience, attention to the customer and innovation;
- adopts management instruments for preventing the violation of the provisions of law and principles of transparency, probity and legitimacy by its collaborators and suppliers and oversees their observance and substantial implementation;
- assures third parties and the community in general full transparency of its actions, while safeguarding competition;
- undertakes to promote lawful competition, which is considered functional to its interests, and that of all market operators, clients and *stakeholders* in general;
- acts responsibly, with the aim of sustainable development, respect of the environment and the rights of future generations.

Therefore, the Company requires that each Recipient:

- performs his/her working activity and services with diligence, efficiency and integrity, using the instruments and time available optimally and taking on the responsibilities associated with the fulfilment, according to current regulations, and the procedures and competences appointed by the Company, and
 - shall refrain from acting in a way that is contrary to the provisions of the Code and the Model.
2. It is the role of the managers of the individual offices and departments of the Company to ensure their subordinates, colleagues and collaborators understand the importance of the provisions of the Code and the Model and to guide them in the required observance and implementation.

Article 4

Probity

1. The Company shall act according to the principles of probity, lawful competition and transparency with regard to all market operators.
- To this end it is a requirement that all actions and operations and the conduct of each of the Recipients in performing their function or appointment are fulfilled according to formal and substantial legitimacy pursuant to current regulations and internal rules and procedures, and probity, collaboration, lawfulness and mutual respect.
2. The Recipients may not personally use the assets and equipment made available to them for fulfilling their function or appointment.
3. The Recipients shall refrain from carrying out activities in competition with those of the Company and respect the corporate rules and precepts of this Code, observance of which is also required pursuant to and by effect of art. 2104 of the Italian civil code¹.
4. The Company forbids all Recipients from accepting or making, for themselves or for others, influence, recommendations or reports, which may prejudice the Company or obtain undue advantages for themselves, for the Company or for third parties. It also requires all recipients not to make and to reject promises and/or undue offers of cash or other benefits, unless of meagre value and not related to requests of any kind.

¹ Art. 2104 Italian civil code: *Employer diligence*. "The employer must adopt the diligence according to the nature of the service, the interest of the business and that greater than national output. It must also observe the provisions for the fulfilment and discipline of the work provided by the business and the collaborators it has a hierarchical dependence on".

If the Recipient receives from a third party an offer of or request for benefits, apart from marketing gifts or items of meagre value², he/she must neither accept the offer nor fulfil the associated request and must immediately inform his/her line manager or the individual he/she is required to report to for the appropriate measures to be taken.

Article 5

Compliance with laws, regulations and procedures

1. The Company observes and requires all Recipients of this Code to:
 - > diligently to respect the laws and regulations in force in all countries where the Company operates; and
 - > to observe the Code of Ethics, the Model, the company operating procedures and internal regulations.

Article 6

Conflict of interest

1. The Company demands the most stringent compliance with legal and regulatory provisions on conflicts of interest.
2. The Recipients, in fulfilling their activities and/or appointments, shall pursue the objectives and general interests of the Company, according to current regulations and this Code.
3. The Recipients shall inform their superiors or contact persons, without delay, once aware of the circumstances, of situations or activities in which they could have a conflict of interests with those of the Company (or where they are close to joint holders of such interests) and in any other case where there are significant reasons for benefit. The Recipients must comply with decisions taken on the issue by the Company and in each case refrain from carrying out operations that generate conflicts of interest. More specifically, each Director is required to make the other directors, and the Board of statutory auditors, aware of any interest, of his/her own or of third parties, that he/she has in a specified operation of the Company over which he/she is required to decide. This communication must be precise and prompt, i.e. it must specify the nature, the terms, the origin and the bearing of the interest. It will then fall to the Board of Directors to evaluate its conflict with the interests of the Company.

For conflict of interest of the CEO, the individual in this position is required to refrain from making a decision on such operation, requiring any appropriate evaluation and decision of the Board of Directors.

²Regarding the definition of "meagre value", in the absence of regulatory provisions defining the concept, it is deemed that reference should be made to business usage, items of significant value being excluded in any event.

PRINCIPLES OF ORGANISATION

Article 7

Operations and transactions

1. The Company has developed an internal system where the correct definition of roles and responsibilities within the sphere of operations/transactions performed on its behalf hold particular significance.
2. The Company requires that:
 - > any operation and/or transaction, meant in the broadest sense of the term, is lawful, authorised, coherent, congruous, documented, recorded and verifiable for a period of 10 years;
 - > procedures that govern operations enable checking the characteristics of the transaction, the justification, authorisation for its performance and fulfilling the operation itself;
 - > any individual who performs operations and/or transactions involving sums of money, assets or other financially valuable benefit, belonging to the Company, shall act upon authorisation and be able to provide valid evidence for it on request;
 - > each company department is responsible for the truthfulness, authenticity and originality of the documents generated and information provided in fulfilling the activity it has competence for;
 - > all Recipients of this Code and all individuals that procure goods and/or services in general, including external consulting for the Company, shall act according to the principles of probity, economy, quality and lawfulness and with due diligence and according to correct business conduct and, in particular, in relationships with the Public Authority, regardless of market competition or the importance of the business transacted, refraining from putting in place, authorising, accepting or promoting conduct that is not strictly in compliance with current regulations and the principles of probity, diligence and lawfulness set out in this Code.

Article 8

Personnel Management

1. The Company acknowledges that human resources are of fundamental importance in the development of the Company itself. Personnel management is based on respect of the person and the professionalism of each individual within the general regulatory framework.

In compliance with the Conventions of the International Labour Organisation and current legislation for the protection of working conditions, the Company undertakes to respect fundamental human rights. More specifically, the Company:

- > avoids any form of discrimination against its personnel and offers all employees the same opportunities, so that each of them may benefit from fair treatment based on criteria of merit, without any discrimination;
- > performs selection and employment of personnel according to the values of equal opportunity and equality in line with the relevant legal requirements, the employees' statute and the applicable collective labour agreements;
- > creates a working environment where the personal characteristics of the individual employee are not the subject of discrimination;
- > assures privacy protection of personnel and their right to work without being subject to unlawful conditions;
- > oversees that in internal and external working relationships there is no subjection via violence, threat, deceit, abuse of authority, exploitation of physical or mental inferiority or need or via the promise or giving of sums of money or other benefits to whoever has authority over the person;
- > shall not establish any working relationship with individuals who do not have working visas and shall not perform any activity for promoting the unlawful entry of migrants into Italy and shall verify the legitimacy of employment candidates to be in Italy;
- > promotes the culture of safety at work, including via information and training of personnel;
- > promotes respect for the environment;
- > as compatible with the general efficiency of work, promotes flexibility in the organisation of work for maternity and childcare in general.

2. The Company considers the following reprehensible and offensive and therefore forbids:
 - > working under the influence of alcohol, narcotics or substances with analogous effects;
 - > consuming or supplying alcohol, narcotics or substances with similar effects for whatever reason during working hours;
 - > holding or consulting pornographic material on Company premises.
3. The Company forbids abuse in internal and external working relationships, referring to:
 - > undue interference in the fulfilment of the working activities of others;
 - > creation of an intimidating and hostile working environment for an individual or groups of employees;
 - > impeding an individual's working prospects for reasons of personal competition.
4. All employees and collaborators of the Company are required to commit to acting lawfully in order to comply with the obligations taken on via the employment contract and the provisions of the Code, ensuring the due performance and compliance with commitments taken on vis-a-vis the Company and avoiding situations and decisions that may give rise to real or apparent conflicts of interest with the Company.

Article 9

Employee selection

1. The evaluation of personnel to be employed shall be made according to the candidates' conformity to the company's requirements, according to equal opportunities for all individuals concerned.
2. The required information is strictly associated with verification of the requirements of the position, respectful of the candidate's privacy and opinions.
3. The individuals responsible for the selection, whether internal company officers or external service providers, shall adopt appropriate measures for avoiding favouritism, nepotism or forms of clientelism in the selection and employment phases, within the limits of information available, (for example, avoiding the selector being restricted through his/her familial relationship with the candidate).

Article 10

Employment relationship

1. Personnel is taken on with a regular employment contract based on the applied collective labour agreement [CCNL] and according to the applicable laws in force. No irregular form of employment is tolerated.
2. Each collaborator will receive accurate information on the following, on the establishment of the employment relationship:
 - characteristics of the role and the tasks;
 - regulatory aspects and minimum remuneration levels, as provided for by the CCNL [National Collective Employment Agreement];
 - rules and procedures to be adopted in order to avoid possible health risks associated with the working activity.

This information shall be presented to the collaborator so that acceptance of the position is based on effective comprehension.

Article 11

Health and safety at work

- I. The Company demonstrates a particular awareness of health and safety at work issues in order to avoid the risks associated with the company activity. Therefore, each Recipient is required to comply with all the legal obligations provided for by the applicable regulations. More specifically, the Company undertakes to adopt all measures necessary to protect the physical and moral probity of its employees and therefore:
 - > compliance with legislation in force on safety, health and hygiene of employees is considered a priority;
 - > risks to employees are avoided, as far as possible and according to the development of the best techniques, also by selecting the most appropriate and least hazardous materials and equipment and such as to mitigate all risks at source;
 - > unavoidable risks are correctly assessed and appropriately managed and mitigated via the appropriate collective and individual safety measures;
 - > the information and training of employees is disseminated, updated and specific with reference to the role performed;
 - > employees are consulted on health and safety in places of work;

- > any safety requirement or non-compliance emerging during the course of working activities or verifications and inspections is addressed rapidly and effectively;
 - > the organisation of work and its operational aspects are realised in such a way as to protect the health of employees, third parties and the community in which the Company operates.
2. The Company allocates management, instrumental and financial resources to the fulfilment of the aims described above with the objective of ensuring full compliance with current accident protection regulations and continuing improvement of the health and safety of employees in the work place and the associated prevention measures.
 3. The employees, each for their own competence, are required to ensure full compliance with the regulations of law, the principles of this Code, the Model and the company procedures and any other internal rule provided for the protection of safety, health and hygiene in places of work.
 4. All individuals who work for the Company are responsible for the proper management of and compliance with the procedures adopted for the safety and hygiene of the working environment.

Article 12

Criteria for conduct in relationships with clients

1. Contracts and communications with clients (including any advertising messages) shall be drafted according to completeness, transparency and professionalism.
2. Contracts must comply with current regulations and be complete such as not to omit any element significant for the purposes of the client's decision.
3. The Company's conducts dealings with its clients according to willingness, respect and courtesy, with a view to establishing a relationship of collaboration and professionalism. In accordance with the principles of impartiality and equal opportunity, the Company undertakes not to discriminate against its clients arbitrarily.
4. The Company undertakes not to use deceitful or false promotional instruments and to be truthful in advertising, marketing and any other type of communication.
5. The Company undertakes to respond to suggestions and complaints from clients, using the most appropriate and prompt communication systems.

6. The Company condemns any conduct that may form an act of corruption, meaning any offer, promise or intentional provision of any undue amount of money, products or services or any other benefit or advantage to an employee of a client company, in order to obtain an advantage and/or preferential treatment for the Company by ensuring that the same individual acts or refrains from acting in fulfilling his/her duties or acts contrary to his/her duties. Employees and collaborators must report to their line manager, and to the Board of Supervision, any corrupt action or attempted corruption detected during commercial relationships with clients they have become aware of or reasonably suspect.
7. The Company undertakes to supply products and services that meet the reasonable expectations of the client and in accordance with safety principles, to ensure appropriate quality standards of the products and services offered based on preset levels.

Article 13

Criteria of conduct in relationships with suppliers

1. The Company expressly requires that its suppliers act in accordance with the rights of employees, human rights and the environment. Specifically, for example, the Company requires suppliers to refrain from using child labour or minors and from discrimination, abuse or coercion of employees, and that they comply with environmental regulations.
2. The Company condemns any conduct that may form an act of corruption, meaning any offer, promise or intentional provision of any undue amount of money, products or services or any other benefit or advantage to an employee of a supplier company, in order to obtain an advantage and/or preferential treatment for the Company by ensuring that the same individual acts or refrains from acting in fulfilling his/her duties or acts contrary to his/her duties. Employees and collaborators must report to their line manager, and to the Board of Supervision, any corrupt act or attempted corruption detected during commercial relationships with suppliers they have become aware of or reasonably suspect.

3. Relationships with suppliers are regulated by this Code of Ethics and by internal procurement procedures.
4. The procurement processes are intended for seeking the maximum competitive advantage for the Company and for granting equal opportunities for each supplier. They are also based on mutual legality, transparency and collaboration.
5. The selection of suppliers and the settlement of purchase conditions are based on an objective evaluation of the quality, price and capacity to supply and guarantee services of an appropriate level, including after sales support and the product guarantee.

Article 14

Relationships with Public Authorities

1. The Company and the Recipients' relationships with national, European Community and international public institutions ("**Institutions**"), and with public officials or those appointed to carry out state roles, i.e. bodies, representatives, mandate holders, members, employees, consultants, individuals appointed to carry out state roles or services, of public institutions, public authorities, public entities, including financial, local, national or international public entities or societies ("**Public Officers**") shall be entered into by each Director and each employee, whatever their function or role, or where applicable, by each collaborator, according to current regulations and based on the general principles of probity and lawfulness, adapting their conduct to the requirement of *impartiality* and the *satisfactory outcome* that the Public Authority requires.

Contact with the Institutions and Public Officers is limited to those who are specifically and formally appointed by the Company to have contact with such authorities, public officers, entities, organisations and/or institutions.

2. Unlawful payments are prohibited in relationships with Institutions or with Public Officers. All Recipients are required to refrain from payments of any amount in order to obtain unlawful benefits in representing the interests of the Company before Public Authorities.
3. The Company expressly forbids corruption, favouritism, collusion, direct and/or indirect soliciting, including via promises of personal benefits, vis-a-vis Public Officers and any individual belonging to the Public Authority in general.

More specifically, the following forms of conduct are not permitted and expressly forbidden:

- > making or offering, directly or indirectly, payments and material benefits of any scale to public officials or those appointed to public service in order to influence or remunerate an action of their office and/or omitting an action of their office;
- > offering gifts or other free items which may form forms of payment to officers or employees of the public authority;
- > receiving and then meeting requests for money, favours, benefits from entities, natural or legal persons who intend to enter into business relationships with the Company, and from any individual belonging to the Public Authority.

4. Courtesy items, such as gifts, contributions to expenses of representation are permitted when they are of modest value and in any event such as not to compromise the probity or reputation of one of the parties and may not be interpreted by an impartial observer as intended to acquire an improper advantage.

5. The Company also forbids corruption, favouritism, collusion, direct and/or indirect soliciting, including via promises of personal benefits.

6. The Company shall never seek to be represented by Directors, employees or collaborators in relationships with Institutions or Public Officers where the possibility of generating a conflict of interest may arise.

Therefore the Company forbids being appointed as its representatives individuals who:

- > have been accused of unlawful business conduct;
- > have a conflict of interest or have familial relationships of other kinds, which they are aware of, such as could unlawfully influence the decisions of any individual belonging to the Public Authority.

7. In order to avoid, or at least drastically to reduce, the risk of the above described conduct all employees must promptly report to their line manager, depending on their powers and functions, any doubts regarding possible violations of the Code by external collaborators and report to the Board of Supervision any conduct that is significant for the purposes of Legislative decree 231/2001.

8. In the specific case of participating in a tendering process or other similar procedure with the Public Authority, the Company and the Recipients must act according to the law and correct commercial practice.
9. Without affecting all the obligations imposed by current applicable regulations, the Recipients shall refrain, during business negotiations, requests or commercial relationships with the Institutions or with Public Authorities, from undertaking the following actions, directly or indirectly:
 - > examining or proposing opportunities for personal and/or commercial gain that may be to the advantage of employees of Institutions or Public Officers;
 - > offering or supplying, accepting or encouraging in any way favours or commercial conduct-related practices not according to the most open transparency, probity and legality and, in each case, which do not comply with the relevant regulations in force;
 - > requesting or obtaining confidential information that may compromise the probity or reputation of both parties or which in any event violates the equality of treatment and procedures of public transparency initiated by the Institutions or Public Officers.
10. The Company condemns any conduct aimed at obtaining from the state, the European Union or other public entity, any type of grant, loan, soft loan or other provision of funds by means of altered or falsified declarations and/or documents, or by omitting the required information or, more generally, by means of artifice or deception, including by means of an IT or telecommunications system, aimed at introducing errors on the part of the providing entity.
11. The Company shall comply with the constraint of the destination of the funds, grants or loans provided for promoting any initiative, obtained from the state or other public entity or from the European Union, including of modest value and/or amount.
12. Within the sphere of relationships with the Public Monitoring Authorities, the Company shall offer maximum help and collaboration, including for inspections and verifications and, where due and/or required, complete information, production of data and documents according to the principles of transparency, completeness and integrity of their institutional functions.
13. The Company forbids exerting influence of any kind on judges, arbiters, lawyers, expert witnesses, chancellery staff for obtaining any unlawful advantage.

14. The Company also forbids exerting influence on a person called to make declarations before the legal authorities, to induce him/her not to make such declarations or to make false declarations, and to encourage a person who has committed a crime to evade the investigations of the authorities, or to elude the authorities themselves.

Article 15

Contributions and sponsorship

1. It is forbidden to provide funds to political parties, committees, public organisations or candidates for office.

The Company shall refrain from any direct or indirect influence of politicians (for example by offering the facilities of the Company, accepting recommendations for employment, consulting contracts, etc).

2. Sponsorship activities, which may cover the community, the environment, sport, entertainment and art are intended solely for events that offer a guarantee of quality, have a local, national or international bearing, increase the Company's prestige and visibility before actual and potential clients, or involve a significant number of citizens, in particular those for which the Company may collaborate in the design, in order to guarantee the originality and efficacy. In each case, when selecting proposals to take on, the Company shall pay particular attention to any possible personal or corporate conflict of interest.
3. The Company shall favour social and cultural initiatives whose activities are oriented at the promotion of the person and the improvement of quality of life. Any type of contribution must be made strictly in accordance with the law and the current provisions, and be suitably documented.

Article 16

Accounting control and transparency

1. The Recipients of this Code are required, in accordance with their respective functions and roles, to comply with the rules, including regulatory, on the truthfulness and clarity of information and valuations.
2. All actions and operations carried out by the Company draw from the following principles:
 - > maximum management probity;
 - > completeness and transparency of information;
 - > legal and substantial legitimacy;
 - > clarity and truthfulness of accounting according to current rules, regulations and internal procedures.
3. The Company requires full and broad commitment from all of its employees so that the facts of management and transactions put into effect during all of its activities are represented correctly and promptly in the accounts.

All accounting transactions must therefore be supported by documentary evidence of the activity carried out such as to enable:

- > accounting records;
- > identification of the origin and/or formation of documents;
- > accounting and mathematical reconstruction of the operations.

It is the role of each employee involved in drafting the Company's financial statements, and for the consolidated statements and explanatory notes, to ensure that the accounts documents correspond to the above criteria and are easily traceable, as well as logically ordered.

4. Especially in cases of items that are translated in the financial statements and in the notes that require estimates (so-called valuations), compliance with the accounting standards by whoever is involved (including third-party consultants) is essential in reporting such items.
5. The Company requires that all items, for example amounts receivable, inventories, participations, provisions for risks and charges, are entered into the accounts according to the rules in force on the preparation and valuation of financial statements.

In particular, employees responsible for preparing the account balances at the year end are required to check and promote verification of all accounting activities in the production of said balances, also in order to reduce the possibility of errors of interpretation.

6. Documents describing the accounts recognition activity must facilitate clear reconstruction of the accounting operations, identification of any errors, and the level of responsibility within the individual process.
7. It is a requirement for the Recipients, again within the sphere of their respective functions and roles, to check the accuracy and truthfulness of the accounting records and to make any errors, omissions and/or falsifications known to whoever has competence.

Article 17

Relationships with the Company's boards of control

The Company requires all personnel to observe correct and transparent conduct in the fulfilment of their role, especially in relation to any request made by the Shareholders, the Board of Auditors, the Supervisory Board and the other company boards in exercising their respective institutional roles.

Article 18

Corporate requirements

In preparing the financial statements and all other legally required corporate communications, the Company requires its employees to:

- > comply with the relevant accounting standards and regulations;
- > provide a correct and truthful representation of the capital and trading situation of the Company.

In addition, the Company forbids:

- > reimbursing payments made by the shareholder or releasing the shareholder from the obligation of making them, apart from in legitimate cases of reducing the share capital, including via simulated conduct;
- > voting allocations of profits or payment on account of profits not effectively achieved, or allocated to legal reserves, or distributing reserves that are not available;

- > fictitiously forming or increasing the Company's capital, by attributing shares for an amount less than the nominal value, voting mutual subscription of shares, significantly overvaluing payments into the company of goods in kind or credits, or the company's capital in the case of transformation;
- > reducing the share capital, performing mergers or demergers in violation of the laws for the protection of creditors;
- > creating, via simulated or fraudulent actions, false majorities in the shareholders meetings of the Company.

Article 19

Protecting the rights of company creditors

1. The Company expressly forbids its directors and employees from carrying out any operation to the detriment of creditors.
2. In fact the company holds the protection of its creditors against seeing the guarantees over their credit being diminished, as an ethical principle. Therefore the directors are forbidden from implementing reductions of share capital or mergers with other companies, or demergers in order to cause the creditors losses.

Article 20

Dissemination of information or carrying out operations on financial instruments

1. It is forbidden to disseminate false information, both internally and externally to the Company, concerning the Company itself, its employees, collaborators and third parties acting for it.
2. All operations/transactions involving securities or financial instruments of companies must be managed solely by the company departments formally authorised.

Article 21

Use of banknotes, public credit cards, duty stamps

The Company, in the knowledge of the requirement to assure probity and transparency in business conduct, requires the Recipients to comply with current regulations on the use and circulation of banknotes, public credit cards and duty stamps and, therefore, severely punishes any improper conduct for the unlawful use, and falsification of credit cards, duty stamps, coins and banknotes.

Article 22

Terrorism and public order offences

1. The Company requires compliance with all laws and regulations against carrying out terrorist activities and public order offences and, therefore, also forbids belonging to associations with such aims.
2. The Company condemns the use of its resources for financing and carrying out any activity intended to achieve terrorist objectives or public order offences.
3. Each employee of the Company is also expressly forbidden, working wherever or on placement, from carrying out any activity or other action that could be deemed terrorist conduct or public or offences. For any doubt or where a situation appears, all employees are required to report to their department manager or a legal representative of the Company.

Article 23

Organised crime

1. The Company is aware of the risk that local criminal organisations can influence its business activities, utilising it to achieve unlawful advantages and is committed in the prevention of and countering the risk of criminal infiltration within its organisation.
To this end, the Recipients are required to comply with the procedures set out by the Company for evaluating the reliability of the various individuals/entities that deal with the Company (personnel, suppliers of goods and services, clients).
2. Payments and other financial transactions must be carried out via authorised intermediaries, so that their traceability is guaranteed, based on adequate documentation.

All Recipients are prohibited from submitting to extortionate demands of any type (protection, extortion, proposals, etc.) from whoever; each Recipient is required in each case to inform the Supervisory Board and the police authority.

Article 24

International crime

The Company condemns any conduct, whether of individuals in a management role or of employees, which may even indirectly facilitate the commission of crimes such as criminal association, Mafia-type association, impeding justice. To this end the Company undertakes to implement all methods of preventive and subsequent control necessary.

Article 25

Prevention of Money- laundering

1. The Company absolutely forbids all recipients of the code from acquiring, replacing or transferring cash, goods or other benefits in the knowledge they have a criminal origin, or carrying out related operations, in order to prevent identification of their criminal origin.
2. The Company forbids using cash, goods or other benefits in financial activities in the knowledge they have a criminal origin. In addition, the Company forbids:
 - > drawing amounts of cash (with the exception of small payments which must be traceable);
 - > receiving payments from encrypted accounts or from non-identifiable entities;
 - > making payments in cash or using non-traceable means (with the exception of modest amounts which must in any event be traceable);
 - > making payments into encrypted accounts;
 - > making payments in countries other than that of residence of the supplier or where the service was performed.

Article 26

Privacy protection – Use of the IT system and copyright protection

1. The Company pays particular attention to implementing data protection requirements.
All company documents, e-mail messages and other materials containing company information, and all materials drafted using such documents, are the property of Klopman and must be returned to the Company on request or on termination of employment.
2. In using IT and telecommunications the Recipients must adhere to the principle of diligence and probity and respect the rules and internal security procedures.
3. The Recipients must refrain from all activities intended to unlawfully damage IT or telecommunications systems of the Company, of other companies, of the state or other public entity or that is of public use.
4. In no event may the intention of acting in the Company's interest justify damaging information, data and IT programs of third parties or of the Company itself.
5. The Company undertakes not to reproduce, use, hold or disseminate intellectual property in violation of the rights of the legitimate holders and will not accept any amendment or update of operating systems or software programs by violation of the conditions of the user licence, not contractually agreed with the supplier.

Article 27

Environmental protection

1. The Company pays particular attention to environmental issues and therefore undertakes to adopt company strategies and techniques to improve the impact of its activities on the environment, according to current regulations and also in consideration of the development of scientific research and the best experiences.
2. In order to reduce environmental risks, each Recipient must operate according to the following principles:
 - > implementing all actions necessary in order to assure compliance with and adaptation to the regulatory provisions in force;
 - > continual training of staff on the progress of legislation and regulations on the environment;

- > progressive integration of awareness of environmental issues in activities carried out and training of personnel on environmental problems, in order to achieve high professional standards;
- > monitoring of technological progress and evaluation of its implementation when it is able to provide greater protection of the environment.

Article 28

Internal and external controls

1. The Company promotes the dissemination to all levels of personnel of a culture of awareness of internal and external controls, intended to achieve the knowledge in each employee of the contribution that such controls make to improving the efficiency of all activities.

Internal controls refer to all instruments provided by the Company to address, manage and verify its operations, with the aim of:

- > promoting compliance with laws, regulations and internal procedures;
- > achieving effective performance of such activities;
- > providing complete and accurate accounting data;
- > exchanging accurate and truthful information.

External controls refer to the verifications attributed by law to shareholders or other company bodies or to auditing firms, and to the Public Monitoring Authorities, in such event the Company requires that Directors, general managers, Auditors and liquidators act in communication with the aforesaid public and monitoring authorities according to a conduct informed by integrity and transparency, providing complete, accurate and prompt information, and avoiding generic confusing wording.

Directors in particular must not in any way impede or prevent the auditing and control activities attributed by law to the shareholders, the other company bodies or the auditing firm itself.

As an example, certain specific requirements of the Directors of the Company are listed below:

- > each Director is required to adopt transparent conduct in relation to requests of the board of statutory auditors, the individual shareholders and the auditing firm, including via his/her collaborators;

- > each Director is required to avoid conduct, by omission or commission, aimed at preventing auditing by the board of statutory auditors or the shareholders or the auditing firm, including via mere diversion of attention.

BODIES AND MECHANISMS OF CONTROL

Article 29

The Supervisory Board

1. Monitoring of compliance with the Code is assigned to the Supervisory Board prescribed by the Organisation, Management and Control Model pursuant to Legislative decree no. 231 of 8 June 2001, which is attributed broad autonomy in exercising its supervisory functions.

More specifically, the Board of Supervision:

- > monitors the efficacy of the Code of Ethics and the Model and its continuing efficacy over time, suggesting proposals to the management bodies for any updates and adaptations made necessary by the progressing evolution of laws;
- > detects any discrepancies in conduct which may arise from analysis of the flows of information and reports from the Code recipients;
- > promptly notifies the management body of violations of the Model;
- > verifies that initiatives are implemented for dissemination of knowledge and comprehension of the Code and, for the training and awareness of personnel for observing its principles;
- > promotes the implementation of any disciplinary proceedings and proposes any penalties to be adopted.

2. The Board of Supervision, in exercising its functions, shall have free access to company data and information necessary for fulfilling its activities.

3. The Recipients and third parties acting on behalf of the Company are required to provide maximum collaboration in allowing the Board of Supervision to perform its function.

4. Any doubts in the application of this Code must be submitted and discussed with the Board of Supervision promptly.

Article 30

Internal reporting

1. Anyone who becomes aware of violations of the principles of this Code and/or the operating procedures of the Model or other events that may affect its validity and efficacy for the purposes of Legislative decree 231/2001, is required to report them promptly to the Board of Supervision.
2. Recipients must report the following information promptly to the Supervisory Board:
 - > information regarding a violation, or possible violation of the provisions of the Code and/or Model;
 - > any request to violate the Code and/or the Model they have received.

Article 31

Penalty provisions

1. Observing the rules of the Code must be considered an essential part of employees' contractual obligations pursuant to and by effect of article 2104 of the Italian civil code, indicated above. Violation of the rules of the Code shall form violation of the primary obligations of the employment relationship or unlawful discipline, according to the procedures envisaged by art. 7 of the Employees' statute, with all legal consequences, including regarding maintenance of the employment relationship, and may give rise to damages compensation. Violation of one rule and/or one procedure may also form a criminal violation.
2. All recipients of this Code are required to observe and respect its principles and comply with its rules of conduct.
3. Awareness of and adaptation to the requirements of the Code form an essential element for the purposes of establishing and maintaining relationships of collaboration with third parties, before which the Company undertakes to disseminate all associated information.
4. Violations of the Code and/or the Model by Directors, Auditors, employees and managers must be notified to the Board of Directors by the Board of Supervision and to the Board of Statutory auditors, which will take the appropriate actions according to law.

5. Violation of the provisions of this Code by suppliers, external collaborators and consultants is considered a severe violation.

FINAL PROVISIONS

Article 32

Binding nature of the Code

1. No managers and no employees have the authority to approve amendments to the rules of the Code.
2. In no event may the intention of acting in the Company's interest justify adopting conduct contrary to the principles described herein. Violation of this code corresponds with violation of criminal law and involves the application of criminal penalties to the person committing the crime, thereby equally exposing the company to the risk of criminal liability for the crime committed by the violating person.
3. The Company will punish violations of this Code, the Model, the rules and internal procedures which have given rise to the conduct described above, or that may give rise to it merely by implication, by imposing disciplinary proceedings.

Article 33

Amendments and supplements

This Code, according to company practices, has been approved by the Company Board of Directors. In addition the Code is periodically verified and potentially updated by the Company Board of Directors, in consultation with the Board of Supervision and the Board of Statutory Auditors.

Article 34

Conflict with the Code

Where even a single one of the provisions of this Code enters into conflict with the provisions of internal regulations or procedures, the Code will prevail over any such provisions.