

caprari

Code of Ethics

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General criteria and scope

1. FOREWORD

Caprari S.p.A. (hereinafter also referred to as "Caprari" and/or the "Company" and/or the "Firm") and all the Companies of the Caprari Group, has drafted this Code of Ethics in order to clearly and transparently define the set of values it draws on to achieve its objectives.

Caprari recognises the importance of ethical and social responsibility in the conduct of business and corporate activities and is committed to respecting the legitimate interests of its stakeholders and the communities in which it operates. At the same time, it requires all employees and all those who cooperate in the performance of Caprari's activities to comply with the corporate rules and principles laid down in the Code.

With this Code of Ethics (hereinafter the "Code"), Caprari, together with all the Companies of the Caprari Group, intends to formally adopt principles of legitimacy, consistency, fairness, transparency, diligence, impartiality and verifiability to which its conduct is to be conformed.

This Code of Ethics is an integral part of the "Organisation and Management Model adopted by the Company" pursuant to Italian Legislative Decree no. 231/2001 and will be visible on the website www.Caprari.com.

2. CORPORATE MISSION AND ETHICAL VISION

Caprari's corporate mission is to design and produce solutions for optimal integrated water cycle management. In more than 75 years of presence on the market, it has developed a wide range of centrifugal pumps and electric pumps, ideal to meet the needs of its customers operating in a variety of sectors, such as professional irrigation, deep well suction, lifting and treatment of waste water and drainage, water supply and distribution in civil and industrial systems, and fire-fighting systems.

Caprari intends to maintain and develop the relationship of trust with its collaborators, customers, consultants and suppliers and, in general, with its stakeholders, and to pursue its objectives by seeking the best balance of the interests involved, in compliance with all legal provisions and the principles of honesty, impartiality, reliability, loyalty, fairness, transparency and good faith.

3. NATURE AND FUNCTION OF THE CODE OF ETHICS

Caprari has deemed it appropriate and necessary to adopt and issue its own Code of Ethics, an expression of its autonomy and self-regulation power, which guides the company's behaviour and sets out the values to which all its directors, employees and collaborators in various capacities must conform. The Code of Ethics is therefore a voluntary instrument not conditioned by legal obligations, even though it is formulated in strict application of the principles inferable from current regulations applicable to Caprari's business.

The Code of Ethics is also a prerequisite and a reference - after assessing any risks/offences associated with the activities carried out - for the organisation, management and control model adopted by the Company.

Furthermore, compliance with the provisions of the Code must be considered an essential part of the contractual obligations of Caprari's employees pursuant to articles 2104, 2105 and 2106 of the Italian Civil Code (employee diligence, duty of loyalty and disciplinary sanctions).

Violation of the principles and rules of this Code harms the relationship of trust established with the Company and may lead to disciplinary action and compensation for damages, without prejudice, for employees, to compliance with the procedures laid down in article 7 of Italian Act no. 300 of 20 May 1970 (the so-called Workers' Statute), applicable collective labour agreements, any company regulations and the disciplinary system adopted by the company.

4. STAKEHOLDERS AND RECIPIENTS

"Stakeholders" are those who have an interest in the Company activities, not only of an economic nature. Therefore Stakeholders refer to all persons with whom the organisation interacts in the course of its activities, in particular members, employees, collaborators, customers, the community, the government, local public entities, suppliers, trade unions, trade associations, environmental associations. The "Recipients" are all those for whom the principles and provisions of the Code of Ethics are binding, without exception. The Recipients are the directors, auditors, managers, employees and all those (including trade operators) who, even if external to the company, establish - directly or indirectly - a stable or temporary relationship with Caprari.

5. SCOPE OF THE CODE OF ETHICS

The principles and provisions of the Code of Ethics are binding for directors, employees and all those who work on the basis of a contractual relationship, even a temporary one, as defined above as "Recipients". Entities that already have their own model and/or policy will in any case comply with the principles of the regulations set out in Italian Legislative Decree 231/2001. The Recipients are required to adapt their conduct to the provisions of the Code or, in any case, to the principles of the regulations set out in Italian Legislative Decree 231/2001.

5.1 EFFECTIVENESS OF THE CODE OF ETHICS IN RELATION TO OTHER SOURCES

This document as well as any related and/or prerequisite and/or implementing documents must be read, interpreted and implemented in line with all applicable standards, provisions and/or codes, which shall prevail.

In the event of a conflict between several internal documents referred to the interpretation or enforcement thereof, the documents drafted pursuant to Italian Legislative Decree 231/2001, having the purpose of preventing the commission of offences, take precedence over other company documents and third-party procedures.

5.2 TERRITORIAL EFFECTIVENESS OF THE CODE OF ETHICS

The Code of Ethics applies to all business transactions of the Company, regardless of the state jurisdiction in which they are concluded. The reference to the law and to any codes of conduct and/or codes of ethics is intended as a reference to the applicable rules.

The Company - through the Supervisory Board (hereinafter also only SB) - undertakes to disseminate the provisions of the Code of Ethics as widely as possible, so that all Recipients are aware of the prohibited, recommended and prescribed conduct. The Code of Ethics will be disseminated through the company intranet, it being understood that it may also be displayed in hard copy, as provided for in article 7, paragraph 1 of Italian Act no. 300/1970 and the applicable special laws, by posting it in a place accessible to all employees.

The Code of Ethics will also be published in electronic format on the Company corporate website to make it available to all those who may, for various reasons, be required or in any

case be interested in knowing it. In order to ensure the correct understanding of the Code of Ethics, communication plans are periodically prepared and implemented to foster awareness of the principles and ethical standards contained in the Code.

5.3 DISSEMINATION OF THE CODE OF ETHICS

The Company undertakes to ensure timely internal and external dissemination of this Code of Ethics by means of:

- distribution to all Directors and Staff;
- posting in a place accessible to all Staff and publication on the corporate network and institutional website;
- making it available to Third Party Recipients and any other stakeholder.

The Company also promotes and monitors the implementation of periodic training initiatives on the Code of Ethics, also planned in consideration of the need to differentiate activities according to the role and responsibility of the resources involved, namely through the provision of more intensive and in-depth training for persons qualifying as "top management" within the meaning of Italian Legislative Decree 231/2001, as well as for those operating in areas qualifying as "at risk", pursuant to Model 231. However, the Staff may contact the Supervisory Board at any time to request clarification and information on issues related to Italian Legislative Decree 231/2001.

5.4 APPROVAL AND AMENDMENT OF THE CODE OF ETHICS

The Code, which is indicative of corporate practice, is submitted to the Caprari Board of Directors for approval as part of the adoption of the Organisational Model. Any changes and/or additions thereto shall be submitted for approval to the Company Board of Directors, after consulting the Supervisory Board, and subsequently circulated to the Recipients.

Principles

1. PRINCIPLE OF LEGALITY. COMPLIANCE WITH THE CODE OF ETHICS, COMPANY RULES AND PROCEDURES

Any operation performed within the framework of every business process must be legitimate, consistent, congruent, authorised, documented and verifiable.

Any conduct contrary to the law and the Code of Ethics is sanctioned. A company policy oriented towards their careful prevention and strict repression is also required, referred to their occurrence in internal and external relations.

2. HONESTY AND FAIRNESS

Relations with customers, consultants and suppliers, as well as with all kinds of interlocutors of the Company, are guided by criteria and conduct based on fairness, cooperation, loyalty, honesty and mutual respect.

3. RESPECT FOR INDIVIDUAL RIGHTS

The Company promotes respect for the psycho-physical and cultural integrity of the individual and guarantees working conditions that respect individual dignity and a safe working environment.

4. IMPARTIALITY AND EQUAL OPPORTUNITIES

The Company undertakes to avoid any discrimination on the basis of age, sex, state of health, race, nationality, political opinions and religious beliefs, in all decisions affecting relations with all its stakeholders.

5. TRANSPARENCY AND COMPLETENESS OF INFORMATION

The Company undertakes to inform all stakeholders clearly and transparently about its situation and performance, without favouring any interest group or individual.

6. TRUST AND COOPERATION

The conviction that one is acting for the benefit of the Company does not justify the adoption of conduct that is contrary to the aforementioned principles. All those working at Caprari, without distinction or exception, are therefore committed to observing and enforcing these principles within their functions and responsibilities.

7. RESPECT FOR THE RULES OF FREE COMPETITION

Without prejudice to the legal provisions in force, the Company respects the rules of free competition as an essential element of the market in which it operates and censures any conduct that infringes or circumvents those rules.

8. CARE IN THE USE OF COMPANY RESOURCES

It is the obligation of each member of the Company organisation to comply with the instructions received and the criteria of care, precaution and good faith in the use of the corporate resources assigned to him/her.

Any breakdown, damage or risk of damage to the integrity and functionality of the resources assigned for use must be promptly reported to the functions competent to take action, as identified according to the company organisational chart.

9. HEALTH, SAFETY AND ENVIRONMENTAL PROTECTION

The Company is committed to pursuing environmental protection, aiming at continuous improvement of its environmental performance and pays particular attention to the creation and management of workplaces and environments that are adequate from the point of view of workers' health and safety, in compliance with laws and regulations in force on the matter.

To this end, the commitments include:

- compliance with national and EU safety and environmental legislation and regulations;
- prevention of accidents and injury in the workplace;
- pollution prevention;
- raising awareness of safety and environmental issues among members, employees and collaborators.

10. INSIDER DEALING

The directors, employees and collaborators of Caprari who, by virtue of their roles, have access to price-sensitive information that is not publicly available will not exploit or disseminate it within or outside the Group.

11. CORRUPTION AND MONEY LAUNDERING

The Directors, Board of Statutory Auditors, Managers, Employees and Collaborators undertake to comply with all national and international regulations and provisions on anti-corruption and anti-money laundering.

Directors, Managers, Employees and Collaborators must not, in any way or under any circumstances, make, receive or accept the promise of cash payments or run the risk of being implicated in laundering of money from illegal or criminal activities.

Before establishing relationships or entering into contracts with suppliers or other parties for long-term business relations, Managers, Employees and Collaborators must ascertain the moral integrity, reputation and good name of the counterparty, also through the acquisition of appropriate information from specialised companies.

The Company prohibits all Recipients, in any way, from acquiring, substituting or transferring money, goods or other utilities in the knowledge of their criminal origin; or carrying out other operations in relation to them, so as to hinder the identification of their criminal origin.

The Company prohibits the use of money, goods or other utilities in economic or financial activities in the knowledge that they are of criminal origin.

12. REJECTING TERRORISM AND SUBVERSION OF THE DEMOCRATIC ORDER

The company requires compliance with all laws and regulations prohibiting terrorist activities as well as subversion of the democratic order; therefore, it also prohibits mere membership of associations with such aims.

The company censures the use of its resources to finance and carry out any activity aimed at achieving terrorist objectives or subversion of the democratic order.

It is also expressly forbidden for any employee/collaborator of the Company, wherever operating or located, to become involved in any practice or other action liable to lead to terrorist or subversive conduct. In case of doubt or if a situation appears equivocal, each employee/collaborator is called upon to contact his or her department head or a Company lawyer.

13. REJECTING CRIMINAL ORGANISATIONS

The company is aware of the risk that locally established criminal organisations may influence the business activity, exploiting it to obtain illicit benefits, and is committed to preventing and combating the risk of infiltration of criminals within their organisation.

To this end, all Recipients are required to comply with the rules laid down by the Company for assessing the reliability of the various parties that have relations with it (personnel, customers and suppliers, etc.).

Payments and other financial transactions must be made through authorised intermediaries, so that traceability is guaranteed, based on appropriate documentation.

It is forbidden for all Recipients of this Code to satisfy extortive demands of any kind whatsoever formulated by anyone; each Recipient is in any case required to inform the Supervisory Board and the Police.

14. CORRECT USE OF THE COMPUTER SYSTEM AND COPYRIGHT PROTECTION

In the use of computer and telematic resources, the Recipients shall be guided by the principle of care and fairness and comply with internal security rules. Recipients shall use the company IT tools - such as personal computers, telephones and other communication tools - in compliance with company procedures and policies, avoiding any conduct that could compromise the functionality and protection of the company IT system.

The Recipients must refrain from those activities aimed at unlawfully damaging a computer or telematic system of the Company, of third party companies, of the State or of another Public Entity or, in any case, of public utility.

In no way may the belief that one is acting for the benefit of the Company justify damaging the information, data and computer programmes of the Company or of third parties.

The Company undertakes not to reproduce, use, possess or disseminate intellectual works in violation of the intellectual property rights of the legitimate owners and refuses any modification or update of operating systems or application programmes in violation of the licensing conditions contractually defined with suppliers.

15. COUNTERING RACISM AND XENOPHOBIA

The Company value to fight against all forms and expressions of racism and xenophobia is inescapable and, therefore, repudiates any form thereof.

In particular, it repudiates any activity that may involve promoting ideas based on racial or ethnic superiority or hatred and committing acts of discrimination and violence, or even inciting such acts, on racial, ethnic, national or religious grounds.

Phenomena such as racism, xenophobia, denial of crimes against humanity, in whatever form they are manifested, including dissemination through the press or social media, are condemned in the strongest terms.

To this end, the Company shall ensure that no derogatory or disrespectful acts concerning nationality, ethnic origin, religious belief, sexual orientation, physical characteristics, political ideology, and the colour of their skin are performed by the Recipients of this Code of Ethics.

16. CAREFUL MANAGEMENT OF FINANCIAL RESOURCES, BUDGETING, TAXATION AND OTHER COMPANY COMMUNICATIONS

The Company identifies specific methods for managing financial resources, with particular reference to payment processes, also in order to prevent the commission of offences. Financial resources are managed in accordance with the aforementioned methods and in

line with the management competences and organisational responsibilities of each individual.

The Company also monitors the regularity of all payment instruments used, in order to guard against the risks arising from the commission of offences relating to non-cash payment instruments.

In the preparation and approval of the annual financial statements as well as in the preparation and dissemination of corporate communications in general, the corporate bodies ensure compliance with the provisions of the law and the articles of association as well as the documentation and correct imputation of the acts and decisions taken.

The corporate bodies guarantee, in the performance of the above-mentioned activities, a correct and transparent conduct, undertaking to provide the utmost cooperation as well as, in compliance with legal or statutory limits, accurate and clear information, data, estimates and calculations, in order to allow the preparation of accounting documents, reports or other corporate communications that are true, complete and would not be misleading for the Recipients.

A similar conduct shall be maintained by the corporate bodies, in relation to the activities falling within the competence of the person performing the accounting control and of the other persons required to render - by law or by virtue of a decision of the Company - opinions, reports, estimates or other judgements concerning documents, instruments or transactions pertaining to the Company itself.

Finally, the company considers it essential to respect the principle of participation in public spending that underlies national and European regulations, and therefore undertakes to adopt, in every situation and context, a conduct inspired by this value.

In particular, it guarantees careful compliance with the fiscal-tax legislation issued by the competent national and supranational bodies and, therefore, by way of example but not limited to, the compliance with all required tax fulfilments - in the forms, ways and measures provided for by law - as well as active and collaborative participation with the Industry Authorities and judicial bodies.

17. PROTECTION OF NATURAL PERSONS WITH REGARD TO PERSONAL DATA PROCESSING

The Company ensures that it processes the personal data of its employees, suppliers, collaborators and third parties that are conferred to it or communicated to it within the scope of its activities in full compliance with the legislation on the protection of personal data and, in particular, with Italian Legislative Decree no. 196 of 2003 as amended by Italian Legislative Decree 101/2018 on provisions for the adaptation of national legislation to the provisions of Regulation (EU) 2016/679.

18. CONFIDENTIALITY OF INFORMATION AND ENFORCEMENT OF INTELLECTUAL AND INDUSTRIAL PROPERTY

The company ensures the confidentiality of the information in its possession and compliance with data protection regulations. All information available to the Company is treated by protecting the privacy of the persons concerned.

In this regard, each employee shall:

- acquire and process only the data that are necessary and directly related to his or her functions, in any case in compliance with the regulations in force;
- store such data in such a way as to prevent outsiders or unauthorised parties from gaining knowledge of them;
- determine the confidential and privileged nature of the information;

- verify the existence of any additional confidentiality constraints by virtue of relations of any nature with third parties.

Employees must adopt rules of special prudence when communicating such confidential information to other employees or consultants by telephone, telefax, telex and/or e-mail and/or other means, and in general take all other precautions, also not expressly provided for herein, but which are nevertheless appropriate in order to prevent unauthorised disclosure and consequent dissemination to the public. It is absolutely forbidden to disclose confidential information to third parties outside the company organisation who have not signed a confidentiality agreement, unless they are already subject to rules of professional secrecy. If in doubt about the interpretation of the laws protecting such rights in the various states of the world or the extent of titles (patents, trademarks, etc.), it is mandatory to seek advice from qualified persons before taking any action that may constitute infringement of such laws.

19. PREVENTION OF CONFLICTS OF INTEREST OF ITS DIRECTORS AND EMPLOYEES

The Company works to avoid situations where its directors and employees are, or may appear to be, in conflict with its interests. By way of example, but not limited to, the following constitute a conflict of interest for employees:

- the employee holding a share - overt or covert - in the business of suppliers, customers, competitors;
- the acceptance by employees, as compensation or for any other reason, of the offer of money or other benefits or advantages from competitors, customers or suppliers;
- the exploitation of one's position for the realisation of interests conflicting with those of the Company;
- the use of information acquired in the performance of work activities for one's own benefit or for the benefit of third parties and in any case contrary to the interests of the Company;
- performing work of any kind (works, intellectual services) for customers, suppliers, competitors and/or third parties in conflict with the interests of the Company and/or the agreements in force with the Company, except in cases permitted by law and/or authorised by the Company;
- any situation that impairs or may impair objectivity, loyalty to the Company or performance in the exercise of their duties.

With this in mind, Caprari's directors and employees must avoid any situation and refrain from any activity that may set a personal interest against those of the Company or that may interfere with and hinder the ability to take decisions in the Company interest in an impartial and objective manner.

Directors and employees must therefore exclude any possibility of overlapping or otherwise crossing - by exploiting their functional position - business activities that are in their personal and/or family interest and the positions that they hold within the Company.

Before accepting an assignment referred to consultancy, management, directorship tasks or other appointment in favour of another person, or if a situation of conflict of interest (even potential) arises, each Manager or Employee is required to notify his/her supervisor and the Supervisory Board in order to check the actual materiality of the conflict of interest.

20. CORPORATE GOVERNANCE

The Corporate Governance system adopted by the Company complies with the provisions of the law and is mainly aimed at:

- ensuring the regularity of management operations;
- controlling risks;
- achieving maximum transparency towards the Company stakeholders;
- meeting the legitimate expectations of the owners;
- avoiding any type of transaction to the detriment of creditors and other stakeholders; enhancing the work of human resources.

21. INTEGRITY OF THE PERSON AND ENHANCEMENT OF HUMAN RESOURCES

Human resources are an indispensable element of the Company existence and a critical factor in competing successfully in the market.

The Company safeguards and promotes the value of human resources in order to increase the wealth of skills of each Manager, Employee and Collaborator and promotes respect for the physical, moral and cultural integrity of the person, which is the unilateral prerequisite for a key role of ethical rules and principles.

The management of employment and collaboration relations is inspired by respect for the rights of workers and the full enhancement of their contribution with a view to fostering their development and professional growth.

All the Company employees and collaborators are required to undertake to act loyally in order to comply with the obligations assumed in their employment contract and the provisions of this Code of Ethics, ensuring due performance of required services and respect for the commitments made to the Company.

22. LIABILITY TOWARDS CUSTOMERS

The style of conduct towards customers is characterised by helpfulness, respect and courtesy, with a view to a collaborative and highly professional relationship.

Consistent with the principles of impartiality and equal opportunities, the Company undertakes not to arbitrarily discriminate against its customers, to provide high quality services that meet the customer's reasonable expectations and protect their safety and security, and to be truthful in commercial or any other kind of communication.

23. LIABILITY TOWARDS SUPPLIERS

Purchasing processes are characterised by utmost fairness. Selecting suppliers and determining purchasing conditions are based on an objective assessment of the quality and the ability to supply and guarantee services of an appropriate level.

An employee who receives gifts, or any other form of benefits not directly attributable to normal courteous relations, shall take all appropriate steps to refuse such gifts, or any other form of benefit, and inform his/her line manager thereof.

24. DUTY OF FAIRNESS IN NEGOTIATING, DRAFTING AND DELIVERING CONTRACTS WITH THIRD PARTIES

Members of the Company corporate organisation are required to behave in good faith and fairly towards their counterparties.

25. SANCTIONS AND PENALTIES

Any time the Company has relations with professionals registered with professional bodies, their professional autonomy and independence is always safeguarded, as well as their professional secrecy - in accordance with any relevant regulations.

Rules of conduct and criteria of conduct

1. GIFTS OFFERED, GIVEN AND RECEIVED

It is expressly forbidden for the Recipients of these rules to offer, ask to or receive from anyone (either directly or through third parties) any gratuity, remuneration or other benefit, even in the form of a discount, which may even only be interpreted as exceeding normal courtesy relations, or be intended as aimed at acquiring favourable treatment in the conduct of any activity that could be linked to the Company.

Should a Recipient of these rules receive offers and/or requests for gifts or benefits (except for courtesy gifts and in any case of modest value) he/she shall immediately inform his/her line manager. The latter is responsible for assessing the directives and parameters to be adopted - with the involvement of the Chairman of the Board of Directors and after consulting the Supervisory Board, where appropriate.

2. CONTRIBUTIONS, SPONSORSHIPS, DONATIONS, SCHOLARSHIPS

Any gifts, donations, scholarships, as well as contribution and sponsoring activities are (in their total amount) included in the budget approved for this purpose by the Board of Directors of the Company (henceforth also only BoD) and must comply with all relevant rules, including ethical and/or behavioural rules.

3. RELATIONS WITH THE PUBLIC ADMINISTRATION

The Company relations with public administrations shall be maintained only by the persons expressly designated by specific appointment in accordance with the company procedures, in compliance with the specific provisions of the Organisation, Management and Control Model and the internal procedures for activities regulated by specific internal procedures.

In dealings with employees and representatives of public bodies, conduct must be based on the principles of transparency and honesty.

4. INSTITUTIONAL RELATIONS

In relations with representatives of institutions, bodies, independent authorities and, in any case, with persons operating within public structures, the Recipients of the Code of Ethics must comply with the relevant rules, including ethical rules, it being understood that Caprari adopts specific organisational models for the prevention of offences against the public administration and in relations with public bodies.

5. RELATIONS BETWEEN PERSONS BELONGING TO THE SAME GROUP OR OPERATING WITHIN CAPRARI

Relations between persons belonging to the same group or operating within Caprari are inspired by the principles of truthfulness, fairness, correctness, completeness, clarity, transparency, prudence, respecting the autonomy and roles of each person and of the specific areas of competence, refraining from carrying out activities that fall within the functions of another person.

6. RELATIONS WITH REGISTERED PROFESSIONALS OR PROFESSIONALS BELONGING TO THE CATEGORY OF UNREGULATED PROFESSIONS

Any time the Company has relations with professionals registered with professional bodies, their professional autonomy and independence is always safeguarded, as well as their professional secrecy - in accordance with any relevant regulations.

7. CRITERIA FOR CONDUCT IN RELATIONS WITH EMPLOYEES AND COLLABORATORS

Definition

An Employee or Collaborator is any person who, beyond the legal qualification of the relationship, has a working relationship with Caprari aimed at achieving the purposes of the Company.

7.A) CUSTOMER SERVICE

Caprari recognises that the Customer has a key role in all its activities and promotes a Customer-oriented behaviour of its employees and collaborators.

Serving Customers (external and internal) means listening to them, understanding their problems, supporting them in solving them and verifying (feedback) whether the answers provided have met their needs, all while maintaining a kind and professional attitude.

7.B) PROACTIVITY

Caprari values a concrete approach to the work carried out and to be carried out, with particular reference to its Staff, which allows improvements to be introduced and possible problems to be prevented, by drawing up proposals or implementing specific improvement and prevention actions.

7.C) INTERPERSONAL RELATIONS MANAGEMENT

Caprari promotes and encourages the establishment of collaborative relationships, the management of any conflicts in a clear and transparent manner, and the search for mutually acceptable solutions by valuing the point of view of others.

7.D) CONSIDERABLE INDUSTRY EXPERTISE

For Caprari, possessing high sector expertise means being competent in one's own industry, keeping up-to-date (e.g. regulations, market logic, innovation, etc.) and being interested in increasing and deepening one's knowledge in the industry in which it operates.

7.E) PROFESSIONALISM

For Caprari, being professional means being attentive not only to the content, but also to the form of one's work: e.g. image, precision, adherence to set ways and times (agreements or procedures), completeness of the work done, ability to achieve results by properly coordinating with colleagues and collaborators.

7.F) SELECTION OF COLLABORATORS

The assessment of the Collaborator to be recruited and/or contracted is carried out based on how much the candidates' profiles match the expected profiles and the company needs, ensuring equal opportunities for all concerned parties.

7.G) ESTABLISHMENT OF THE RELATIONSHIP

Collaborators are employed under a regular employment contract; any form of work or employment not compliant with prevailing regulations is not tolerated.

7.H) MANAGEMENT OF COLLABORATORS

Caprari avoids any form of discrimination against the Collaborator.

Access to roles and positions is established in consideration of skills and abilities; moreover, consistent with general work efficiency, those flexibilities in work organisation that facilitate the management of maternity status and childcare in general are favoured.

7.I) DISSEMINATION OF COLLABORATOR POLICIES

Collaborator management policies are made available, where possible, to collaborators through corporate communication tools.

7.L) ENHANCEMENT AND TRAINING OF COLLABORATORS

Managers operate with a view to enhancing all the professional skills present within Caprari, taking steps to foster the development and growth of their Collaborators.

7.M) MANAGEMENT OF COLLABORATORS' WORKING TIME

Each Manager is required to make the most of the working time of the Collaborators reporting to him/her, which is considered a source of wealth and development for the Company, by requiring performance consistent with the performance of their duties and with the work organisation plans.

7.N) INVOLVEMENT OF COLLABORATORS

The involvement of all Collaborators, whatever their role, in the performance of work is favoured, also by providing for moments of participation in discussions and decisions functional to the realisation of Company objectives.

7.O) INTERVENTIONS IN WORK ORGANISATION

In the case of work reorganisation, the value of human resources is safeguarded by providing training and/or retraining where necessary.

7.P) HEALTH AND SAFETY

Caprari is committed to disseminating and consolidating a safety culture, developing risk awareness and promoting responsible behaviour by all Collaborators.

It also works to preserve, especially through preventive actions, the health and safety of workers and all those who have access to the Company premises and facilities.

7.Q) INTEGRITY AND PROTECTION OF THE PERSON

The moral integrity of Collaborators is protected by guaranteeing the right to working conditions that respect personal dignity.

7.R) PROTECTION OF THE RIGHT TO PERSONAL DATA PROTECTION

The protection of Collaborators' personal data is ensured by adopting standards specifying what information the company requires from them and how it is processed and stored.

7.S) DUTIES OF COLLABORATORS

The Collaborator must act loyally in order to comply with the obligations under the employment contract and the provisions of the Code of Ethics, ensuring the required performance.

7.T) INFORMATION MANAGEMENT

The Collaborator must be familiar with and implement the provisions of the company information security policies to ensure the integrity, confidentiality and availability of information.

7.U) CONFLICT OF INTEREST

All Caprari employees are required to avoid situations and activities in which conflicts of interest may arise and to refrain from taking personal advantage of business opportunities of which they become aware in the course of their duties. If a Collaborator finds him/herself in a situation that, even potentially, may constitute or give rise to a conflict of interest, he/she shall notify his/her line manager, who shall inform the Supervisory Board, which shall assess on a case-by-case basis.

7.V) USE OF COMPANY ASSETS

Each Collaborator is required to work with care to protect corporate assets, through responsible behaviour and in line with the operating procedures established to regulate their use, accurately documenting their use.

Everyone is responsible for the protection of the resources entrusted to him/her and has a duty to promptly inform the relevant business units of any threats or events harmful to Caprari.

7.Z) CONFIDENTIALITY OF INFORMATION AND KNOW-HOW

Collaborators are required to ensure the confidentiality of any information they learn in the course of their work.

They must not spread confidential information or trade secrets to unauthorised third parties, even after termination of their employment contract. Moreover, it is forbidden to use confidential company information directly or indirectly to one's own advantage or to the advantage of third parties, or to the detriment of Caprari, even after termination of the respective employment contract. Likewise, it is expressly forbidden to acquire information and data for use other than for company purposes, or for use after termination of the employment relationship.

8. CRITERIA OF CONDUCT IN RELATIONS WITH TRADERS

Definition

A Trader is any person who, irrespective of the legal classification of the relationship (Agency, Brokerage or Collaboration), carries out activities of promotion and marketing of Products and Services for CAPRARI.

Caprari's sales network has two tiers:

- Direct network: Caprari has created an internal direct network (headed by a Group company) in order to provide the most dedicated service possible;
- Indirect network or so-called Caprari Partner: Caprari also makes use of a well-established indirect network, consisting partly of agencies whose collaboration dates back to the company early days and partly of new agencies, with the widest possible spread throughout the territory.

8.A) SPECIFIC TRAINING AND MONITORING OF THE SALES NETWORK

Recognising the importance of the activity carried out by Traders, Caprari dedicates time and resources to training them, in order to make them competitive in the market, but on fair grounds, in compliance with the training obligations imposed by the industry authority. Moreover, being aware of the potential critical issues that the sales network operations imply, it monitors the reports received in relation to Traders, and restrains any conduct that, due to its seriousness and recurrence, should manifest itself as contrary to the rules of fairness and good faith, as well as to the rules in force and the provisions of this Code of Ethics, by even terminating the relationship.

8.B) CONFLICT OF INTEREST

All Caprari Traders are required to avoid situations and activities in which conflicts of interest may arise and to refrain from taking personal advantage of business opportunities of which they become aware in the course of their duties.

8.C) USE OF COMPANY ASSETS

Each Trader is required to work with care to protect corporate assets, through responsible behaviour and in line with the operating procedures established to regulate their use, accurately documenting their use.

8.D) CONFIDENTIALITY OF INFORMATION AND KNOW-HOW

Traders are required to ensure the confidentiality of any information they learn in the course of their work.

9. CRITERIA FOR CONDUCT IN RELATIONS WITH CUSTOMERS

Definition

A Customer is anyone who benefits from the Company products or services in any capacity.

9.A) CONTRACTS AND COMMUNICATIONS TO CUSTOMERS

Caprari's contracts and communications to customers (including advertising messages) are:

- clear and simple, formulated in a language as close as possible to that normally used by interlocutors;
- compliant with applicable regulations, without resorting to elusive or otherwise unfair practices;
- complete, so that no element relevant to the customer's decision is overlooked;
- compliant with privacy protection legislation.

Purposes and recipients of the communications determine, on a case-by-case basis, the choice of the most suitable contact channels for the transmission of the contents without resorting to excessive pressure and persuasion, and undertaking not to use misleading or untruthful advertising tools.

Caprari undertakes to inform the Customer in a complete and timely manner about the features, functions, costs and risks of the service offered.

9.B) BEHAVIOURAL STYLE OF COLLABORATORS

Caprari's style of conduct towards customers is characterised by helpfulness, respect and courtesy, with a view to a collaborative and highly professional relationship based on transparency and fairness.

Therefore, each Collaborator and each Trader shall:

- comply with internal procedures for managing relations with customers;
- efficiently and courteously provide, within the limits of the contractual provisions, products and services of a level that can meet the Customer's expectations and needs;
- provide accurate and comprehensive information about products and services so that the Customer can make informed decisions.

9.C) QUALITY MANAGEMENT

Caprari is committed to ensuring adequate quality standards of the services and products offered on the basis of predefined levels, and to periodically monitoring perceived quality. The Company takes care of the satisfaction of its Customers, their requests and problems, with the aim of providing solutions as close as possible to their expectations.

9.D) CUSTOMER INVOLVEMENT

Caprari undertakes to always respond to suggestions and complaints from Customers and the associations protecting their rights, using appropriate and timely communication systems (e.g. call centre services, e-mail addresses).

It is Caprari's responsibility to inform customers of the receipt of their communications and the time required for replies, which, in any case, must be short.

9.E) LITIGATION PREVENTION

Caprari encourages dialogue and cooperation with Customers and favours an amicable resolution of any disputes, promoting conciliatory procedures to prevent legal disputes between the Company and the Customer.

10. CRITERIA FOR CONDUCT IN RELATIONS WITH SUPPLIERS

Definition

Suppliers are those who provide goods, services and resources necessary for the implementation of activities and the provision of services.

10.A) CHOICE OF SUPPLIER

The procurement processes for goods and services are characterised by the search for the maximum competitive advantage for Caprari and the granting of equal opportunities for each supplier; they are also based on pre-contractual and contractual conduct with a view to indispensable and mutual loyalty, transparency and cooperation.

In particular, Caprari employees in charge of these processes are required to:

- not preclude anyone meeting the stated requirements from competing for contracts by adopting objective and documented criteria in short-listing candidates;
- ensure sufficient competition when selecting the supplier by considering an adequate short list of candidates;
- any exceptions must be authorised and documented.

In any event, if the Supplier, in the performance of its activities for Caprari, engages in conduct that is not in line with the general principles of this Code, Caprari shall be entitled to take appropriate measures up to and including precluding any further opportunities of cooperation.

10.B) INTEGRITY AND INDEPENDENCE IN RELATIONSHIPS

The decision to enter into a contract with a supplier must always be based on relations of extreme clarity, avoiding any form of subordination and ensuring independence, wherever possible.

To ensure maximum transparency and efficiency in the purchasing process, Caprari provides:

- separation of roles between the unit requesting the supply (technical unit) and the unit entering into the contract (purchasing department);
- adequate traceability of the choices made;
- retention of information as well as contractual documents for the periods stipulated by the regulations in force.

Finally, to ensure transparency in relations, Caprari has a system in place to monitor the ownership structures of its suppliers.

10.C) FAIR CONTRACT MANAGEMENT

The management of contracts with suppliers is based on fairness, avoiding all possible forms of abuse. Caprari informs the Supplier in a correct and timely manner about the characteristics of the required activity, the payment methods and terms in compliance with the applicable regulations, as well as the expectations of the counterparty, given the circumstances, the negotiations and the content of the contract.

The performance of contractual services by the Supplier shall be in accordance with the principles of fairness, correctness, care and good faith and in compliance with the applicable regulations.

10.D) PROTECTION OF ETHICAL ASPECTS IN SUPPLIES

Violations of the general principles of the Code of Ethics trigger sanction mechanisms, also aimed at preventing the commission of offences related to Caprari's business. To this end, special clauses are drafted in individual contracts.

11. CRITERIA FOR CONDUCT IN RELATIONS WITH THE COMMUNITY

Definition

The term Community refers to the system composed of territory, society and institutions.

Territory means a specific physical space with its natural and historical requirements.

Society is the set of people who live and work in the territory.

Institutions are the entities that make possible the functioning of the society and other forms of social organisation.

11.A) COHESION AND COMMUNITY INTEREST

Caprari envisages the support of social initiatives and projects, including the participation and/or organisation of several events, which are promoted by the company as an instrument of cohesion and interest to the Community.

11.B) ENVIRONMENTAL POLICY

Caprari manages its activities by pursuing continuous improvement in relation to its environmental impacts.

With regard to environmental protection, Caprari defines environmental and sustainable development policies, promoting the following environmental policy instruments:

- comply with environmental legislation;

- ensure the correct application of technologies used for limiting environmental impacts, and, where possible, pursue the improvement of these technologies or the adoption of the most advanced technologies;
- ensure the involvement, participation and awareness of all personnel for a complete sharing of company policy and objectives, for the development of a prevention-oriented environmental culture;
- ensure that all personnel receive adequate information and training on the environmental requirements applicable to their role in the Company and that they become aware that improper behaviour may lead to negative impacts on the environmental management system;
- periodically review the policy and application of the environmental system to assess its suitability and effectiveness, with a view to continuous improvement.

11.C) RELATIONS WITH PUBLIC ENTITIES

Relations with public, local, national and international institutions, aimed at safeguarding Caprari's overall interests and related to the implementation of its programmes, are exclusively reserved to the functions and responsibilities delegated to this effect.

Caprari adopts a specific organisational model for the prevention of offences against the public administration.

11.D) RELATIONS WITH THE REGULATORY AND SUPERVISORY AUTHORITIES

Caprari undertakes to provide the authority in charge of regulating services and the authorities in charge of control (in the broadest sense) with all information requested, in a complete, correct, adequate and timely manner.

11.E) RELATIONS WITH TRADE ASSOCIATIONS

Caprari attaches great importance to maintaining collaborative relationships with industry associations, because it means contributing to the drafting of consultation documents and/or submitting issues arising from the interpretation of industry regulations.

11.F) ECONOMIC RELATIONS WITH PARTIES, TRADE ORGANISATIONS AND ASSOCIATIONS

If, for reasons strictly related to Caprari's presence in the Territory, it is deemed advisable to sponsor conventions, parties with the exclusive purpose of political propaganda and/or financing parties, their representatives or candidates, the competent function must request authorisation from the Board of Directors, which shall inform the Supervisory Board thereof. Caprari does not make contributions to organisations with which there may be a conflict of interest.

11.G) CONTRIBUTIONS, SPONSORSHIPS, DONATIONS AND GIFTS

Caprari may approve requests for grants and/or propose itself for sponsorships in relation to organisations and associations that are clearly non-profit entities and have a regular memorandum of association and articles of association, and that are of cultural, social or charitable value consistent with the Company strategic objectives.

Grants and/or sponsorships will be implemented in accordance with the guidelines adopted by the Board of Directors, avoiding any conflict of interest. For any donations and granting of gifts, Caprari gives priority to entities/associations/foundations that stand out for the ethical message they convey and that - in line with its mission - contribute to social development.