



CODE OF ETHICS

*In reference to Law 231
(ex Legislative Decree 231/2001)*

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2. PREAMBLE

FT System S.r.l. in conducting its business makes reference to ethical principles derived from a wealth of individual and corporate values consolidated over time. These values, which must guide the conduct of all those who, at various levels of responsibility, contribute with their own acts to the performance of FT System S.r.l.'s overall business, including consultants and other external collaborators, however called, are mainly:

- moral integrity, personal honesty and fairness in internal and external relationships;
- transparency towards shareholders, related stakeholders and the market;
- respect for employees and their commitment to enhance their professional skills;
- social commitment;
- the protection of health, safety and the environment.

In general, FT System S.r.l. rejects any conduct which, while aimed at achieving outcomes that are consistent with its interest, presents aspects that are incompatible with the organisational and management model characterised by total compliance with laws, rules of conduct and procedures that apply within FT System S.r.l.

The need to share the afore outlined values in the broadest possible manner would require that they be defined and explained in an official document, **the Code of Ethics**, so as to permit the widespread dissemination within FT System S.r.l., thus ensuring that the rules are followed by all.

Consequently, FT System S.r.l. undertakes to ensure compliance with the Code of Ethics by providing suitable information, prevention and control and intervening where necessary, with appropriate corrective actions.

The Code of Ethics supplements and complements the rules of conduct that have already been or are to be defined by FT System S.r.l. for specific activities or categories of subjects, including:

- the organisation and management model;
- provisions on handling sensitive and confidential information;
- provisions for the total removal or reduction of workplace accident risks, which have been brought to the adequate attention of employees and to which reference is made for in-depth discussion of specific subjects;
- environmental provisions

3. RECIPIENTS, SCOPE AND UPDATING

The Code of Ethics applies to employees for those compatible aspects, as well as to all those who, for whatever reason, provide their contribution in carrying out FT System S.r.l.'s business. All employees are entitled/obliged to know and apply it, request explanations when in doubt, report any shortcomings or the need for its updating and adaptation.

In particular, FT System S.r.l. management is required to apply the Code of Ethics in all activities, projects and investments proposed and implemented, as well as using it as inspiration when setting corporate objectives and providing necessary information to its collaborators. Furthermore, it is disseminated to all third parties with whom FT System S.r.l. deals in the course of its business, including publication on its website www.ftsystm.com, as well as through any other means of communication that prove necessary for the purpose.

Employees, in relation to their specific skills, must:

- inform third parties on the contents of the Code of Ethics and, in particular, of the obligations arising thereof for FT System S.r.l. employees;
- ensure that third parties comply with Code of Ethics requirements with reference to their relationship with FT System S.r.l.;
- report to their superiors and/or the Supervisory Board (231ftsystm@gmail.com) infringements by third parties, as expressed above, to comply with the requirements of the Code of Ethics pertaining to them. Everyone has the right/duty to speak to his/her superiors or the Supervisory Board when clarification regarding the application of the Code of Ethics rules is required, as well as to promptly report any violation thereof, cooperating with the departments responsible for their verification;
- any violations committed by one's own immediate superior shall be reported in writing to the Supervisory Board or a manager belonging to the organisational structure in their area and shall be treated with the utmost discretion. Control for the implementation of the Code of Ethics is delegated to the Supervisory Board, who will report the results of the investigations performed to the Board of Directors of FT System S.r.l., if relevant for the adoption of possible sanctions against staff that have violated the rules. The Supervisory Board will promote the necessary dissemination, training, awareness and updating the Code of Ethics in FT System S.r.l.

FT System S.r.l. strives to:

- encourage the widest possible dissemination of the Code of Ethics, providing for its further development and updating, including making the management

policies and guidelines established for all business areas available to all employees;

- ensure a program of continuous targeted training and awareness regarding different issues related to the Code of Ethics;
- carry out all necessary assessments on all information regarding possible violations, applying, in case of verification thereof, appropriate sanctions;
- ensure that no one suffers reprisals of any kind for having provided possible reports of violation of the Code of Ethics in good faith, ensuring the right to identity confidentiality.

4. RESPECT AND PROMOTION OF HUMAN RESOURCES

Human resources are indispensable for the existence, development and success of all businesses. FT System S.r.l. therefore pays particular attention to the promotion, protection and development of skills and expertise of all its employees so that they can express their potential and their own professionalism at the highest level.

FT System S.r.l. offers all its employees equal job opportunities, according to their professional characteristics and performance capabilities, without discrimination.

For this purpose, FT System S.r.l., in compliance with all applicable laws, regulations and company policies and through the areas responsible strives to:

- recruit, hire, compensate, train and evaluate employees on the basis of merit, competence and professionalism, without any political, trade union, religious, racial, language or gender discrimination;
- ensure a working environment in which relationships between colleagues are based on honesty, fairness, cooperation, mutual respect and trust;
- offer adequate working conditions from a safety, health and hygiene point of view, as well as being respectful of everyone's moral personality, in such a way as to foster interpersonal relationships free from bias;
- intervene in situations where behaviour is not consistent with the aforementioned principles;
- fight, in particular, any form of sexual harassment, intimidation, hostility, isolation, undue interference or influence.

In order to implement the aforementioned, FT System S.r.l. strives to make the Human Resources management policies available through appropriate channels for internal communication.

Each department head is required to involve their employees in work execution and the achievement of objectives. In turn, the employees must participate with a spirit of cooperation and initiative, contributing actively to the implementation of the established activities.

Training is the tool with which FT System S.r.l. has always taken steps to enhance company professionalism, through growth and development programs.

5. BUSINESS MANAGEMENT

4.1. Employee conduct

Employee conduct in the pursuit of objectives and the conclusion of each operation must be based on the principles of honesty, transparency, loyalty, integrity and fairness, in accordance with corporate policies and applicable laws and regulations in all countries in which FT System S.r.l. operates.

Believing to act for the benefit of FT System S.r.l. cannot, in any way, justify conduct that is contrary to the principles laid down in this Code of Ethics, whose general compliance is of fundamental importance for the proper functioning and prestige of FT System S.r.l. This commitment must also apply to consultants, managers, any special attorneys and anyone acting in the name of and on behalf of FT System S.r.l. FT System S.r.l. has established a procedure to set criteria and procedures for disbursement as well as the receipt of gifts and gratuities.

Gifts that are in excess of normal business practices or courtesy or in any way aimed at obtaining favourable treatment are not tolerated.

Gifts or preferential treatment in favour of Italian or foreign public officials as well as their relatives, which may affect their independent judgement or lead to any advantages, are strictly forbidden.

Gifts and acts of kindness and hospitality to government representatives, public officials and civil servants, are permitted if they are of limited value and however:

- do not compromise the integrity or reputation of either party;
- cannot be construed by an impartial observer as aimed at obtaining undue advantages;
- cannot influence the decision-making autonomy, independent judgement and impartiality of the counter-party. Even in countries where it is customary to offer gifts to customers or to other parties as a sign of courtesy, they shall be of an appropriate nature and not oppose legislation. They must not, in any case, be such as to be interpreted as a request for favours in exchange. Those who receive gratuities, gifts or benefits that are not permitted are required to notify the Supervisory Board that, according to established procedures, shall review the appropriateness and disclose FT System S.r.l.'s approach in the matter to the third party. The provisions of the Code of Ethics, with respect to gratuities, gifts and benefits, without any exception whatsoever also applies to directors, executives and employees and must also be complied with by those who cooperate with FT System S.r.l. for the achievement of their corporate objectives.

Shareholders, *business partners*, customers, suppliers and all those who, for whatever reason, come into contact with FT System S.r.l., shall contribute to the consolidation of a corporate image that is faithful to the values of transparency, fairness and loyalty.

Employees may not begin or continue any relationships with those who do not intend to comply with these principles. Similarly, they should not, even outside of organisational business, engage in conduct and transactions that may be in conflict of interest and/or in competition with those of FT System S.r.l., or that may interfere with their ability to make impartial decisions during the performance of their duties. Finally, they are required to avoid situations where conflicts of interest may occur and to refrain from taking advantage of business opportunities whether they are personal, direct or through third parties, which have come to their attention during the execution of their functions.

For example, they must avoid:

- the purchase of (direct or indirect) financial holdings or other business interests in customer or supplier companies or other companies competing with FT System S.r.l., with the exception of shares and financial instruments listed on regulated markets;
- the execution of work, or in any case remunerated, activities with customer or supplier companies or companies competing with FT System S.r.l.;
- moreover, employees taking on any roles and/or responsibilities in companies that do not form part of FT System S.r.l., require a prior information statement from the holding company should the activity to be carried out create harm to work execution or rather the activity itself may be acquired or carried out by virtue of the professional skills developed in FT System S.r.l.;
- misuse of confidential information acquired as a function of their position, so as to obtain an economic advantage for themselves or for their family members;
- acceptance, for themselves and for their family members of donations in cash or in kind, or other favours from persons who are or who want to enter into business relationships with FT System S.r.l., where such gifts are not of modest value or usefulness and are not attributable to normal and correct courteous relationships. Outside of these cases, everyone must inform their superiors and reject offers, free gifts and gratuities offered.

4.2. Customer relationships

In relationships with customers, employees must:

- strictly follow the internal procedures provided;

- operate with courtesy, efficiency, in accordance with the provisions of the contracts and offering only products or services of the best quality standards expected by FT System S.r.l.;
- provide customers with accurate, complete, clear and truthful information about products or services offered, such as to allow the other party to make a conscious choice;
- not disclose information that may prove to be misleading in any way.

The conduct of FT System S.r.l. towards customers is based on principles of availability, professionalism and courtesy. FT System S.r.l.'s objective is the complete satisfaction of its customers, in particular with respect to suggestions and complaints to which particular attention is paid.

4.3. Relationships with suppliers

In relationships with suppliers, employees must:

- strictly follow internal procedures for selection, qualification and award of supply contracts and acceptance of products or services, documenting in a clear and transparent manner the evaluation criteria, in order to ensure the maximum competitive advantage for FT System S.r.l. and assurance of compliance with best quality products offered to FT System S.r.l.;
- not arbitrarily exclude from tenders or in general from procurement requests from suppliers or potential suppliers who meet the requirements necessary for tenders or other procurement;
- enforce and comply with the provisions of contractual conditions;
- avoid the use of suppliers with whom we have familial relationships or affinity;
- take all necessary precautions to avoid the use of suppliers that are, in turn, not inspired by FT System S.r.l.'s ethical principles.

By reason of the foregoing, FT System S.r.l. shall regularly review its list of suppliers in order to rationalise and increase cost-effectiveness and efficiency. Therefore, no potential supplier in possession of the necessary requirements should be precluded from the opportunity to compete to offer their products and services.

To ensure maximum transparency, FT System S.r.l. shall organise itself in order to ensure:

- the separation of roles between the departments requesting and those stipulating contracts, without prejudice to the exceptions already provided by corporate procedures;
- adequate tracking and traceability of decisions made;
- document storage in accordance with regulations and internal procedures.

4.4. Use and protection of corporate assets

All employees and collaborators must remember that the company's tangible and intangible assets made available to them by FT System S.r.l. are to be used:

- with the utmost care and for the purpose intended in order to avoid damage or injury to people or things;
- avoiding, where possible, waste, tampering or usage that may compromise efficiency or accelerate normal deterioration;
- exclusively for purposes connected with and instrumental to work;
- avoid the use and the assignation of the assets themselves by or to third parties even temporarily, in any way whatsoever, except as allowed by specific regulations. All employees and collaborators are responsible for the use and safekeeping of assets given to them for use by FT System S.r.l.

6. USE AND DISCLOSURE OF INFORMATION

FT System S.r.l. considers the dissemination of accurate, complete and truthful information on all Company operations, and maintenance of their required confidentiality, necessary to create and maintain relationships built on transparency and trust with its stakeholders and the market.

Consequently, in managing information, employees must:

- carefully store in the strictest confidence all corporate information of any kind acquired during the execution of their roles, (employee personal data, organisational data, data regarding negotiations and financial operations, *know-how*, patents, chemical formulas, plans, strategies and market analysis;
- request consent to process personal data for disclosed purposes.

With reference to information in general, employees must:

- prevent misuse or instrumental use of confidential information in their possession, nor use it to their advantage and/or that of family members, acquaintances and third parties in general;
- protect it from unauthorised third party access, preventing its dissemination;
- not seek, or try to obtain from others, information that is unrelated to their field of competence or function;
- classify and organise it in such a way as to allow easy access to authorised persons and thus obtaining a complete picture.

Employees who are not expressly authorised are forbidden to know, record, process and disclose personal data about other employees or third parties.

7. TRANSPARENCY IN ACCOUNTING RECORDS

The principles of truth, accuracy, clarity and completeness of information must be totally adhered to in the keeping of documentation and accounting records.

Consequently, employees must:

- represent management facts in a comprehensive, transparent, truthful, accurate and timely manner, in order to facilitate the accounting process as a whole and in accordance with the procedures laid down;
- correctly record every economic and financial transaction without omissions;
- maintain adequate documentation for every transaction, so as to facilitate the verification/reconstruction of the decision-making process and authorisation, the latter based on appropriate levels of responsibility;
- store this information in a logically organised manner, to allow to be easily available;
- allow checks to be carried out that certify the characteristics and reasons for the transaction;
- provide auditors and other even internal supervisory bodies the necessary information in a truthful and complete manner.

FT System S.r.l. employees that come to directly know of any omissions, falsifications or negligence with reference to accounting or documentation on which accounting records are based, are required to report the facts to the Supervisory Board. Communication shall not expose employees to sanctions of any kind or to situations of *mobbing*.

8. THE PROTECTION OF HEALTH, SAFETY AND THE ENVIRONMENT.

FT System S.r.l. is convinced that the total compatibility of its activities with the territory and with the surrounding environment is the primary condition for the acceptance of both its systems and its operational commitment to achieve its developmental goals. FT System S.r.l. is therefore constantly committed to ensuring that the operability of various companies is conducted in total compliance with employee and third party health and safety, as well as that of the environment, intended in the broadest sense of the term.

In particular, thanks also to the active involvement of its employees, FT System S.r.l.:

- promotes and implements all reasonable initiatives designed to minimise risks and remove the causes that might endanger the health and safety of employees, as well as those who are in the territory where their operational areas are located;
- ensures continuous attention and commitment to improve its environmental performance through the reduction of air, water and soil emissions and a responsible and conscious use of natural resources;
- evaluates environmental impacts of all new activities, processes and products in advance;
- develops a relationship of constructive cooperation, maintaining maximum transparency and trust, both internally and externally with the community and institutions in managing health, safety and environmental issues;
- maintains high levels of safety and environmental protection, through the implementation of effective management systems;
- develops a continuous stream of information, awareness and training with the knowledge that to achieve the aforementioned objectives, the active contribution of all its employees is crucial.

In consistency with the aforementioned principles, FT System S.r.l. has imposed a ban on smoking in the internal workplace.

In confirmation of the importance that FT System S.r.l. gives to the values for the protection of health, safety and the environment, the assessment of individual employee performance reflects whether or not their conduct is consistent with corporate policies and in particular with the above.

For its part, FT System S.r.l. adopts an organisational and management model that ensures a business system that fulfils all legal obligations relating to:

- compliance with technical-structural *standards* of laws relating to equipment, systems, workplaces, chemical, physical and biological agents;

- risk assessment activities and the subsequent preparation of measures of prevention and protection;
- organisational activities, such as emergencies, first aid, procurement management, regular safety meetings, consultation with workers' safety representatives;
- health surveillance;
- providing information and training for workers;
- surveillance with regard to compliance with the procedures and safety work instructions on the part of workers;
- the acquisition of documentation and certifications required by law; periodic
- checks for the application and effectiveness of procedures adopted.

9. EXTERNAL RELATIONSHIPS

Even in dealings with persons with whom there is no contractual relationship of any kind, FT System S.r.l. believes that the most important point must be respecting all principles and values contained in the Code of Ethics.

In particular, relations with public institutions for the protection of FT System S.r.l.'s interests must be managed by the organisational functions that are responsible thereof or to whom the task has been delegated.

FT System S.r.l. fully and scrupulously complies with antitrust laws and the laws set by the *Authorities* regulating the market.

Furthermore, FT System S.r.l. does not deny, nor hide nor delay any information requested by these organisations and collaborates actively in the course of preliminary operations. With regard to gifts or other acts of courtesy, as well as to negotiations, please refer to the previous paragraphs.

If, in relations with public institutions, FT System S.r.l. makes use of third-party consultants or representatives, the latter must conform their conduct to the provisions of the Code of Ethics.

FT System S.r.l. does not in any way, directly or indirectly contribute to parties, movements, committees or other political organisations or unions, or their representatives or candidates, except where due according to specific applicable regulations.

Employees must not make or promise donations to be borne by or on behalf of FT System S.r.l.

Relationships with *mass media* are held exclusively by the company department delegated, to ensure consistent communication.

These functions have a service role to play based on the guidelines provided by management concerning FT System S.r.l.'s general policy and image activities as well as the operational functions responsible for specific issues.

The employees provide the organisational functions delegated the role of *mass media* relationships the necessary cooperation to enable them to externally provide true, accurate and transparent information.

In turn, the organisational functions delegated to *mass media* relationships must not:

- provide, or undertake to provide, information that has not been agreed upon and approved by the line functions directly involved;

- influence the professional activity of the *mass media*, by offering or allowing payments, gifts or other advantages.

Employees called upon to externally provide or explain news regarding FT Systems S.r.l.'s objectives, activities, results and points of view, must obtain prior authorisation from management of the organisational structure to whom the information belongs regarding the contents/opinions to be communicated and must be agreed upon with the organisational function responsible for relationships with the *mass media*.

10. SYSTEM OF SANCTIONS

Right from the introduction of the Code of ethics, it is clear that all employees are required to comply with all the laws in the execution of their work.

Failure to comply with these can only lead to the application of disciplinary procedures for the employee as laid down in the standards themselves or by special laws.

Compliance with the Code of Ethics must, instead, arise from more than an obligation imposed on employees by FT System S.r.l., from the fundamental values contained within it being shared by the employees themselves. This does not exclude, however, FT System S.r.l.'s right/duty to monitor compliance with this Code of Ethics, and to take all necessary prevention and control steps deemed necessary or appropriate for the achievement of the aforementioned purpose.

Any violation of the Code of Ethics constitutes a breach of the employment relationship's primary obligations or disciplinary offence, with all legal consequences, including in relation to the preservation of the employment or collaborative relationship.

Therefore, in the event of proven violations, FT System S.r.l. intervenes by applying the measures provided by the sanction system contained in the Organisation, Management and Control Model adopted by FT System S.r.l. or subsequent regulation established by the Supervisory Board.

Those measures, proportionate to the gravity of the infringement, are applied in accordance with the procedure set up for that purpose provided that the offences do not constitute violations, other than the rules of the Code of Ethics, including contractual provisions and the law, in which case the penalties provided for by the relevant legislation apply.

Approved by the Board of Directors at the 29/09/2012 meeting



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