

CAPSULIT S.p.A.

**CODE OF
ETHICS**

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1. Introduction and Objectives

The company Capsulit S.p.A., based in Roncello, MB – via Lombardia, 5 – drew up this Code of Ethics in order to make its moral principles clear, unambiguous and understandable.

The primary goal of the Code of Ethics is to define and to spread the values that guide the company at all levels. For this reason, those who are put in front of a decision shall respect and take into consideration these principles.

Capsulit S.p.A. judges the UN Universal Declaration of Human Rights, International Labour Conventions and Recommendations issued by ILO (International Labour Organization), the Earth Charter published by the Earth Council, and the principles listed in the UN Global Compact as inalienable cornerstones for the definition of its own moral values.

The Code of Ethics represents the code of conduct which aims at properly directing the staff's actions, and its observance is essential for the correct functioning, reliability, reputation and image of the Company.

This Code pursues the act of prevention and obstruction of infringements of the laws, carried out or attempted by senior managers or subordinate employees in the interest and/or in favour of the Company. In addition, the Code defines measures and internal supervision tools suitable for monitoring the compliance with the rules.

2. Scope of Application, Addressees, and Code Update

The principles and regulations of the Code of Ethics are compulsory for the members of the Board of Directors, workers, employees and those who, even if external to the Company, directly or indirectly operate on behalf of the Company. Associates of any kind, consultants, and suppliers (then referred to as “Third Parties”) fall under the latter category, although this list may not be exhaustive. All the just-mentioned subjects are collectively defined as “addressees”.

In particular, the members of the Board of Directors shall follow the principles of the Code of Ethics in the definition of the Company’s objectives, in the preparation of investment plans, and in the implementation of projects, as well as in any decision or action related to the Company.

The staff and the Company’s associates, consultants and those who maintain contractual relationships with the Company shall adapt their behaviours to the rules included in the Code.

Senior managers, workers, and employees, according to their specific competences, shall:

- inform Third Parties about the contents of the Code of Ethics and, in particular, about the obligations for those operating in the name of and/or on behalf of the Company;
- make sure that Third Parties observe the rules of the Code related to their relationship with the Company;
- inform their superiors or the Board of Directors about any violation committed by Third Parties for what concerns the duty of observing the rules of the Code attributable to them, as mentioned above.

In case of need for clarifications on the application of the Code, it is part of the rights and obligations of anyone to turn to their superiors and to the Board of Directors, as well as promptly inform them about any possible violation, thus contributing to their verification.

The inobservance of the rules of conduct listed in the Code represents non-fulfilment of the obligations deriving from the employment relationship and gives rise to the implementation of disciplinary sanctions.

The Company is committed to ascertaining the infringements and imposing sanctions proportionate to the violations of the Code and compliant to the regulation of the employment relationship currently in force.

The Company works hard in order to:

- enhance the spread of the Code of Ethics, dealing with its update in case of need;
- implement a program of education and awareness regarding the Code of Ethics;
- carry out in-depth verifications on potential infringements, thus imposing appropriate sanctions in case of ascertainment;
- ensure that nobody incurs any kind of revenge for providing news about possible violations of the Code in good faith, thus guaranteeing the right of privacy on the identity of the reporting part, except for legal obligations and protection of the rights of the Company or the parties inappropriately indicted.

This Code of Ethics is available on the website:
<https://www.capsulit.it/en/>

The Code of Ethics is approved by the Board of Directors of the company Capsulit S.p.A.. Any variation and/or integration will be approved by the Board of Directors and spread to the addressees.

3. Principles and Rules of Behaviour

3.1 Law Observance

The Company identifies the observance of laws and regulations in force in Italy, in Europe and anywhere it operates as inalienable principles.

3.2 Honesty and Morality

Honesty represents the fundamental principle of the entire activity of the Company and consists in an inalienable element of the firm's management. The Company shall be run and managed following the principles of transparency, fairness, and, thus, fulfilling all the obligations of communication prescribed by the law.

The relationships with the Company's stakeholders are shaped on the values of fairness, collaboration, loyalty and mutual respect.

3.3 Privacy Protection

The Company is engaged in protection of the privacy and, thus, of personal data of Third Parties in compliance with the provisions of the law.

The acquisition and processing of personal information of the addressees and other involved parties take place according to the specific procedures adopted in compliance with the law.

3.4 Prevention of Conflicts of Interest

The Company works hard in order to avoid situations in which the involved parties in the transactions are, actually or potentially, in conflict with the interests of the firm.

The items of the following list are to be considered as examples of conflicts of interest, although many others might be identified:

- the joint interest – clear or concealed – of employees, workers and associates, as well as relatives acting as suppliers, clients or competitors;
- the manipulation of their own role inside the firm for the fulfilment of interests in contrast with those of the Company;
- the use of information acquired during the course of working activities to the advantage of their own or of Third Parties and, in any case, in contrast with the interests of the Company;
- the implementation of working activities of any kind (work and intellectual performance) with clients, suppliers and/or Third Parties in contrast with the interests of the Company.

Senior managers, employees, workers and associates shall act exclusively in the interest of Capsulit S.p.A. and avoid situations or relationships which might create friction between their own and the Company interest.

3.5 Human Resources

Capsulit S.p.A. recognizes the focus on human resources and the importance of the establishment, as well as the retention of relationships based on loyalty and mutual trust.

Therefore, the management of relationships of work, consultancy and collaboration takes inspiration from the observance of labour rights and the full exploitation of their contribution in order to enhance the professional development and growth.

Complying with the laws, regulations and internal procedures in force and by means of the staff in charge, the Company commits to:

- selecting, hiring, paying, training, and assessing the employees according to the criteria of merit, competence, and professionalism;
- ensuring a safe and peaceful business environment in which the relationships among colleagues are built on the virtues of loyalty, fairness, collaboration, mutual respect, and trust;
- monitoring that the Company's staff and associates behave and are treated with dignity and respect;
- resolutely fighting any kind of discrimination or privilege concession based on diversity of race, language, skin colour, faith and religion, opinion and political orientation, nationality, ethnicity, age, gender and sexual orientation, marital status, disability and physical appearance, socio-economic condition;
- guaranteeing that illegal child labour, forced labour, and irregular forms of employment are not allowed;
- ensuring that the work schedule follows the rules applicable in the area of competence;
- recognizing to the Company's personnel the right to create representative bodies and to take part in the collective bargaining on work conditions. In addition, workers and employees shall not be influenced by means of a position of preference or disadvantage for belonging to or not participating in any trade union or workers' representative body;

- fighting, in particular, any form of violence, sexual abuse, intimidation, hostility, isolation, undue interference, brainwashing, mobbing, stalking, and any discriminatory or detrimental behaviour against the human dignity;
- intervening in case of behaviours considered to be not compliant with the above-mentioned principles.

Department managers shall involve their own workers and employees in the working activities and in the fulfilment of the conferred objectives.

In turn, workers and employees shall take part in the just-mentioned tasks with spirit of collaboration and initiative, de facto contributing to the implementation of the activities previously set.

The Company requires all the workers and employees to commit to acting honestly in order to observe the obligations underlying their employment contract, as well as the content of this Code of Ethics, ensuring the owed performance and the observance of the responsibilities taken on towards the Company.

Without prejudice to the utmost availability towards the Company, no worker can be forced to carry out tasks, performance or undue favors, in accordance with the employment contract and their own role inside the firm.

3.6 Clients

The behaviour towards the clients is built on availability, respect and kindness, in order to create a collaborative relationship with them.

In accordance with the principles of impartiality and equal opportunities, the Company commits not to arbitrarily discriminating its own clients, thus providing facilities that protect safety and integrity.

Furthermore, the Company works hard to give accurate, complete, clear and truthful information about the goods and services offered, which shall be compliant with the truth of notices of any kind.

Employees, workers and consultants shall not grant monetary benefits or advantages of any kind as to promote or enhance the interests of the Company.

3.7 Suppliers and Third Parties

This Code shall be applied to Third Parties, including those subjects, which are external to Capsulit S.p.A. and directly or indirectly operate for the Company.

For example, associates of any kind, consultants, suppliers, business partners and agents fall under the latter category, although this list may not be exhaustive.

The processes of purchase are built on loyalty and impartiality.

The selection of suppliers and the determination of the purchase conditions are based on an objective assessment of quality, price and ability to provide and ensure facilities of appropriate level.

In particular, employees, workers and consultants shall not:

- receive any kind of compensation for the performance of their own office or contrary to official duties;
- be subject to any kind of brainwashing from Third Parties external to the Company and thus not allowed to take decisions and/or perform acts related to their own employment activity.

Employees, workers and consultants who receive gifts or any other form of benefit – not directly attributable to normal relationships of kindness – shall implement appropriate initiatives in order to reject the just-mentioned benefit and inform the Board of Directors.

Capsulit S.p.A. expects all Third Parties to maintain behaviours compliant with the laws and principles included in this Code, about which they are informed by the Company, for the whole span of time during which they provide goods and/or services. Any other conduct which distances itself from these rules may be considered serious nonfulfillment in the duties of fairness and good faith involved in the performance of the contract, grounds for breach of trust and just cause for the termination of the contractual relationship.

3.8 Public Administration

Capsulit S.p.A. acts in compliance with the principles of maximum integrity, transparency, and fairness in the relationships with the Public Administration and, in wider terms, with public institutions. The assumption of duties towards the Public Administration and public institutions is exclusively restricted to appointed and authorized personnel in compliance with the strict observance of the applicable laws and regulations and can in no way jeopardize the integrity and reputation of the Company. For this reason, it is necessary that the documents relative to the contact with the Public Administration are gathered and stored.

The employees, consultants and representatives of the Company shall not promise or offer public officials, in charge of the Public Service or employees of the Public Administration, money, goods or other benefits of any kind in order to promote and foster their own interests or the interests of the Company. Moreover, they shall not promise or offer public officials gifts or benefits of any kind in order to compensate an act of their office or to accomplish the performance of an act contrary to the obligations of their office.

Acts of business kindness, such as gifts, forms of hospitality or any other form of benefit – also in the form of open-mindedness – are allowed only if they have modest value and do not jeopardize the integrity and reputation of the parties, so that they cannot be interpreted by a third and impartial observer as acts intended to improperly obtain advantages and favours. In any case, these acts shall always be authorized and appropriately documented.

Any direct action or those carried out through a third party aimed at influencing the independence of judgement or at ensuring any advantage to the Company are forbidden.

Any employee, worker or consultant who directly or indirectly receives benefit proposals from public officials, in charge of Public Service or employees of the Public Administration or other public institutions, shall immediately report this to the Board of Directors.

3.9 Accounting Transparency

Accounting transparency is based on truth, accuracy and completeness of background information for the relative accounting entries. Every employee is incentivized to cooperate so that management actions are correctly and promptly reflected in the accounting.

All the transactions and operations shall find confirmation in an appropriate accounting entry, and the verification of the relative decision-making process, authorization and development shall be possible. Every operation shall be backed up by appropriate documentary support in order to be able to proceed, at any moment, with the implementation of verifications which prove its characteristics and purposes, and to identify the person who authorized, carried out and checked the operation.

Every employee shall make sure that the documents are easily traceable and tidy, in accordance with the administrative procedures adopted by the Company.

The employees who find out omissions, falsifications, negligence in the accounting or in the documents on which accounting entries are based shall report these actions to the Board of Directors.

Employees shall also pay careful attention to the preparation of financial statements and other accounting documents, thus ensuring:

- appropriate collaboration of the staff in charge of the preparation of accounting documents;
- completeness, clarity and accuracy of data and information provided;
- respect of the principles of preparation of accounting documents.

The Company's statements shall be truthful, clear, correct, transparent and exhaustive.

These shall be drawn up in compliance with the principles, criteria and formalities of the regulation in force, of the accounting principles and in accordance with the fiscal legislation.

3.10 Health Safeguard, Occupational Safety and Environmental Protection

The Company pursues with the utmost effort the objective of ensuring health and safety of the business environment, and respect for the environment.

For this reason, an integrated certified system involving Quality, Environment and Safety in compliance with international standards has been introduced in order to:

- assess associated risks and carry out actions aimed at their elimination or limitation;

- ensure attention and constant effort for the improvement of safety and health of the Company's personnel, as well as for the reduction of its environmental impact;
- assess the effects on health, safety, and environment before taking up new activities, or introduce changes and innovations to these processes;
- reinforce and spread a culture of safety and respect of the environment through education, information and participation, thus developing awareness of the associated risks, and enhancing responsible behaviours for all the employees, workers and consultants.

3.11 Information Privacy

Employees shall process data, news and information they possess with unconditional privacy, even after the termination of the work relationship, in order to avoid the spread or use in favour of themselves or of Third Parties.

Confidential information can be shared within the Company exclusively among workers and employees who have the actual need for knowledge for business reasons.

3.12 Employment of the Company's property

Employees shall protect and safeguard the Company's property they have been charged, and contribute to the protection of the firm's goods, avoiding situations which might jeopardize its integrity and safety.

In any case, every employee shall use the entrusted goods of the Company – such as mobile phones, PCs, internet/intranet, copy machines, cars, machineries, etc. – operating with diligence, and shall use these in an appropriate manner exclusively for working activities and in compliance with the interests of the Company, thus avoiding improper use by Third Parties.

3.13 Tracking and Fairness of Financial Flows (Possession of Stolen Goods, Money Laundering, Employment of Money from Illegal Activities)

Any operation which may lead to the possibility of involvement of the Company in events of possession of stolen goods, money laundering, employment of goods or money from illegal activities and tax evasion is compulsorily forbidden.

Financial flows shall be managed ensuring complete clarity, fairness, traceability, and transparency of the operations, thus storing the appropriate documents and always acting within the limits of the responsibilities assigned to every employee. In particular, all the payments and transfers made by or in favour of the Company shall be accurately and entirely registered in the accounting systems and shall be implemented exclusively for those subjects and for those activities which are contractually formalized and/or approved by the Company and/or functional to the achievement of the corporate purpose.

3.14 Use of IT Systems

Employees and those who operate in the name of or on behalf of the Company shall use IT and telematics systems in compliance with the rules provided by the law and internal procedures, as well as in accordance with the principles of fairness and honesty.

In the use of computing and network resources, as well as of the e-mail, it is necessary:

- to respect the indications and purposes set by the Company;
- to observe the procedures regarding IT security;
- not to express comments which might damage people involved in or the image of the Company;
- not to commit or induce crimes, among which IT crimes, violations of the processing of personal information, infringements of the discipline concerning copyrights, industrial property rights, possession and exchange of child pornographic material;
- to refrain from any activity or operation which might alter the correct functioning of IT and telematics systems. In addition, it is necessary to avoid illegitimately interventions on data and information of the Company both to the detriment of itself and of the State, public authorities and community bodies aimed at obtaining an advantage or any other benefits for the Company, for employees or for Third Parties;
- refrain from illegally accessing IT or telematics systems, owned by the Company or protected by Third Parties, and from illegally possessing and spreading authentication credentials or passcodes of these systems.

The use of IT resources of the Company for scopes contrary to the law, to the public order or to public decency is not allowed in any case.

4. Sanction regulation

The observance of the rules included in the Code of Ethics shall be considered fundamental part of the contractual duties of workers and employees in accordance with Art. 2104 of the Civil Code. Infringements to the rules of the Code of Ethics may represent nonfulfillment of the primary obligations of the employment relationship or disciplinary offence, in compliance with the procedures established in Art. 7 of the Workers' Statute. This will lead to legal consequences for the preservation of the job, and may imply compensations for the damages caused.

The observance of the Code of Ethics shall be considered essential part of the contractual duties taken on by external associates, consultants and/or subjects who maintain business relationships with the Company. Violations of the rules of the Code of Ethics may represent nonfulfillment of the contractual duties, thus leading to legal consequences. This may also lead to the termination of the contract and/or the responsibilities towards the Company, and may imply compensations for the damages caused.

The Company commits to imposing sanctions with consistency, impartiality and homogeneity, so that they are proportionate to the respective violations of the Code and in compliance with the regulation in force concerning employment relationships.