

# ORGANIZATION AND MANAGEMENT MODEL

(hereinafter COMPLIANCE PROGRAM)

ART. 6 - D.LGS. N. 231/2001

## Part B) – Code of Ethics

This document has been translated into English for the convenience of international readers. The original Italian document should be considered the authoritative version.

### CODE OF ETHICS





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## GLOSSARY (alphabetical order)

<b>Areas (activity) at risk of crime</b>	The areas of business in which it is looming, in more concrete terms, the risk of committing the offenses listed by Decree. N. 231/2001.
<b>CCNL</b>	National collective labor agreement applicable to the Company.
<b>Code of Ethics</b>	Company conduct code adopted by the Company (as integral and substantial part of the Compliance Program).
<b>Coworkers</b>	Those who act in the name and/or on behalf of the Company on the basis of a specific appointment, contract or power of attorney and, directly or indirectly, carry on activities connected or interesting the company's business (eg. consultants, external experts).
<b>Decree</b>	Legislative Decree n. 231/2001 and subsequent amendments and implementations.
<b>Recipients</b>	All the subjects to whom the Program (Code of Ethics included) is addressed to, other than Employees, Coworkers and Interlocutors even the Corporate Bodies.
<b>Employees</b>	All employees of the Company (including management) and similar.
<b>Entity</b>	Companies, Associations, Consortia, and entities etc., relevant pursuant to Legislative Decree. n. 231/2001.
<b>Function/Area/department/Office</b>	Department/Part of the organization of the Company as defined in the Company organization chart.
<b>Group</b>	Group of companies of which Midac S.p.A. is part, including its subsidiaries directly and indirectly owned, as in group chart, or under common control.



## Code of Ethics and of Conduct

### OVERVIEW

Midac S.p.A. (hereinafter, "Midac" or "Company") has decided to adopt this Code of Ethics to provide clear Behavioral Guidelines that allow the promotion of a corporate culture characterized by the values of Integrity and Responsibility, typical of the corporate vision and mission.

Midac is a leading company operating in the production of starting batteries, accumulators for electric traction and in the design and production of stationary accumulators.

The pillars of the Company philosophy are:

- continuous technological innovation aiming at the best exploitation of energy;
- the quality of the products ensured through strict controls and the use of carefully selected materials and components;
- the organizational efficiency achieved, through effective internal collaboration, together with competence and flexibility of the production;
- environmental awareness, with constant attention to reducing the impact on the environment, also, where possible, through the recycling of materials in respect of nature;
- the enhancement of its human resources;
- the strengthening of the Italian identity (Made in Italy).

### ARTICLE 1. RECIPIENTS

The present Code of Ethics is an integral part of the Compliance Program pursuant to art. 6 of Legislative Decree no. 8 June 2001. 231 (hereinafter "Program") adopted by the Company, to which said Program expressly refers (Code of Ethics: Part B).

With the adoption of the Program, the Company designated the body responsible for supervising the functioning and observance of the Program and for updating it (Supervisory Board).

The provisions of the Code apply to anyone who works or cooperates in any way with the Company, or to all Recipients, and in particular:

- *all Employees of the Company* Senior Executives or executive staff;
- *Coworkers* of the Company;
- *Interlocutors* of the Company;

Each Recipient has the *duty* to:

- know the rules of the Code;
- refrain from behaving contrary to the provisions of the Code;
- report to his superiors and/or to the Supervisory Board any information concerning violations of the Code;
- collaborate with the structures and/or members in charge for checking the compliance with the present Code;
- not to take any initiative contrary to the contents of the Code.

## ARTICLE 2. CORPORATE VALUES

### 2.1. Quality

Midac, in its own activity, grants to the customer a central role and is committed to know in depth its needs and to provide products and services in response to said needs, looking for high *customer satisfaction*.

The objectives that Midac aims at, are, in particular:

- the improvement of the image on the market;
- the improvement of production processes and process control;
- the compliance with contractual commitments expressed or implied;
- the care of the communication with the customer;
- the customer care;
- the adoption of the most modern technical customer support.

### 2.2. Environment and safety at work

Midac recognizes in environmental management and in safety and health at work a business priority, and therefore establishes policies, programs and procedures to carry out activities in an environmentally sound manner and in compliance with physical and moral integrity of the workers.

### 2.3. Social responsibility

Midac indicates the compliance with the requirements of social responsibility as one of the success factors of its business. Midac, in particular, conforms to the following principles:

- do not use or support the use of child labor;
- not encourage or support the "forced labor";
- ensure safe and healthy workplace;
- respect the rights of workers to join trade union confederations;
- not to make any kind of discrimination;

- do not use or support disciplinary practices such as corporal punishment, physical or mental coercion and verbal abuse;
- adapting working hours to the requirements of current legislation in force and national and local agreements;
- pay the Employees according to the National Collective Labor Agreement and the complementary company agreement.

## **2.4. Integrated Management System Quality, Environment, Safety, Ethic**

In compliance with the above, Midac adopted an Integrated Management System for Quality (ISO 9001), Environment and Safety that supports the daily realization of said corporate values and also provides for the application of the following certification *standards*:

- ISO 14001 for Environmental Management;
- OHSAS 18001 for Safety at Work;

## **ARTICLE 3. BEHAVIOUR RULES**

### **3.1 General criteria**

All actions, operations and transactions carried out in the interest or benefit of MIDAC must be guided by the highest principles of fairness, completeness and transparency of information, legitimacy in the form and substance and clarity and truthfulness of accounting records, according to applicable regulations and established procedures, and shall be available for inspection by the supervisory bodies.

To this end, the recipients are required to carry out the duties assigned to them in compliance with the provisions identified in the present Code of Ethics and in strict compliance with applicable laws and regulations, and even in relationships with third parties. The Recipients are required to observe all the provisions governing their conduct and to ask their superiors for clarification in case of any doubt or question about the legitimacy of their conduct which affects the Company.

In commercial and promotional relationships, are forbidden: fraudulent practices and conduct, corruption, favoritism and, in general, any conduct contrary to the Law, category rules, internal regulations and the present Code of Ethics. Such conduct is prohibited and punished regardless of whether they are made or attempted, either directly or through third parties, for personal gain, gain for third parties or for the Company.

The commercial development activity must take place in accordance with fair economic principles, in the regular market environment and in fair competition with competitors, in constant compliance with applicable laws and regulations.

### **3.2 Conflicts of interest**

All business decisions and choices taken on behalf of the Company must match its own best interest.

Therefore, any situations that may even only appear in conflict of interest, or those circumstances in which a person can pursue a personal interest in using their business or professional role, must be avoided or at least reported to the direct supervisor (if any) and, in severe cases, reported to the Supervisory Board.

By way of example and by no way of limitation, the following situations can lead to conflict of interests:

- play a top role or being a manager of an organizational unit and have personal economic interests in common with suppliers;
- accepting money or favors from individuals or companies that have or intend to have business relations with the Company or with companies within the Group;
- have personal interests or family relationships that might affect the independence of judgment when deciding which is the best interest of the Company and the most appropriate way to pursue it;
- take personal advantage, through family members, colleagues or third parties, of business opportunities related to the performance of own duties or own activities carried out on behalf of the Company.

Employees must not have, directly or indirectly, significant financial interests in any company or entity that has or seeks to do business or is in competition with the Company, unless they have previously obtained written approval from the Board of Directors of the Company.

## **ARTICLE 4. RELATIONS WITH CUSTOMERS AND CONSUMERS**

Midac pursues its business success on the markets by offering products and services of high quality, at competitive conditions and in compliance with all the rules set up to protect fair competition.

The Company considers the Customer satisfaction as a primary factor for the fulfillment of its business objectives. To this end, the Recipients have to:

- communicate with Customers in a clear, honest and transparent way, informing them correctly and consistently about the characteristics of the goods and services

- provided and about the activities to be carried out by the Company, using a simple and comprehensible language;
- deal with customers in a clear, honest and transparent way in compliance with the given procedures and instructions;
  - provide high quality products and services that meet the reasonable expectations of the customer and protect his safety and security;
  - be truthful in advertisements, commercial communications or any other kind of communications.

The Company expressly prohibits all Employees or Collaborators from receiving or accepting gifts or other forms of benefit (eg hospitality) from anyone who has, or intends to undertake, business relationships with the Company or Group companies.

In countries where according to habits, gifts are offered to clients (or others), the Recipients may comply with the habit only in the event that said gifts are appropriate and of modest value. If this is the case, applicable laws, commercial practice and codes of ethics - if known - of the companies or entities with which the Company creates relationships must be respected. Any decision can be taken only with the express authorization of Senior Executive or the HR Department.

The preceding provisions shall not, therefore, apply to entertaining expenses, ordinary and reasonable, or to the gifts of modest value, which correspond to normal customs, provided that they do not violate the law and that they comply with corporate procedures.

The Company, in particular, undertakes to respect the rights of consumers, and therefore not to market products that are harmful to their health and physical integrity and to provide complete information on its products. For these purposes, commercial policies are aimed at ensuring the quality of goods and services, safety and compliance with the precautionary principle.

Recipients are therefore obliged to:

- observe internal procedures for managing relationships with customers and consumers;
- supply with efficiency and courtesy, within the limits of contractual provisions, high quality products, which meet the reasonable expectations and needs of customers and consumers;
- provide accurate and comprehensive information on products and services and be truthful in advertising or other communications, so that customers and consumers can make informed decisions.

**ARTICLE 5. RELATIONS WITH SUPPLIERS**

In the selection and management of relations with suppliers, Recipients have to:

- scrupulously observe local regulations and internal procedures regarding the selection of suppliers and the management of relations with them;
- adopt objective and transparent assessment criteria in the selection of potential suppliers, who meet the requirements;
- obtain the collaboration of suppliers to ensure the satisfaction of customer needs (in terms of quality, cost and delivery time);
- observe and comply with the applicable legal provisions and conditions contained in supply contracts/relationships;
- take inspiration from the principles of fairness and good faith, in line with the most severe business practices, in exchanging correspondence and in dialogue with suppliers.

Recipients are prohibited from:

- taking advantage of their own position to obtain personal benefits
- giving or receiving, in any form, directly or indirectly, fees, gifts, personal favors, presents, hospitality, except in the case of gifts or benefits of modest value (courtesy gifts);
- being conditioned by third parties different from the Company to make decisions and / or perform acts relating to their working or professional activities;
- accepting money from people or companies who are or intend to enter into business relationships with the Company.

The person who receives a gift or any other benefit, not directly attributable to normal courtesy relationships, should take the appropriate steps in order to decline the offer and promptly inform the direct hierarchical supervisor.

In countries where according to habits gifts are offered, the Recipients will be able to comply with the habit only in the event that these gifts are appropriate and of modest value. If this is the case, applicable laws, commercial practice and codes of ethics - if known - of the companies or entities with which the Company creates relationships must be respected.

The following must be delivered to the Company, which may allocate them to charity or other corporate purposes (eg assignment by lottery on special occasions): - courtesy gifts as identified above (gifts of modest value); - gifts delivered to the company on the occasion of holidays.

It is strictly forbidden to receive gifts or other gratuities at your private address and, if this happens even against the will of the Recipient, it must be immediately reported to your superior and the gift must be delivered to the Company.

## **ARTICLE 6. MANAGEMENT OF HUMAN RESOURCES**

In the selection and management of relations with staff, Recipients must scrupulously observe local regulations and procedures. In particular, in case of hiring foreign workers particular attention should be paid to the verification of the residence permit that can never be missing, expired (and not renewed), revoked or canceled.

The Company is constantly committed to developing the skills and competences of Employees, in such a way as to ensure that the creativity of individuals finds full expression and fulfilment. This principle and everything established below for Employees must also be guaranteed for forms of collaboration "similar" to the employment relationship.

So that the skills and competencies of each employee can be enhanced and each employee can fulfill their potential, all the people involved in the management of the Human Resources must:

- apply the criteria of merit and professional competence to adopt each decision in respect of Employees;
- select, hire, train, pay and manage Employees without any discrimination, by making sure that they can enjoy fair and equal treatment, regardless of sex, age, nationality, religion, ethnicity, political, philosophical, sexual orientation, and with reference to all aspects of the employment relationship (including, merely by way of explanation, the professional awards, wages, update courses and professional training, etc.);
- enhance the work of Employees and Coworkers requiring performance consistent with their assigned tasks;
- promote the involvement of Employees and external Coworkers making them feel part of the business objectives and of their achievement;
- create a work environment in which personal characteristics or orientations cannot give rise to discrimination between Employees;
- guarantee equal opportunities in all aspects of professional life.

The corporate functions and / or subject in charge to the hiring process of the Company's personnel, in compliance with the corporate protocols, evaluate with particular severity and attention hiring people who have, or have had direct or indirect relationships with the Public Administration.

The corporate functions and/or subject in charge to the hiring process must evaluate, in accordance with the corporate protocols, applications from relatives of employees in the Public Administration, or former employees in the Public Administration and their relatives, who participate or have actively participated personally and in business negotiations with the Company; similar precautions should be taken with individuals who participate or have participated to endorse requests made to the Public Administration by Company.

It is also prohibited to require subordinates employees for personal favors or any behavior that violates the present Code of Ethics.

The Company respects fundamental human rights, rejects child exploitation and does not use forced labor (or performed in conditions of slavery or servitude), also rejects the following behaviors that the Recipients must consider prohibited:

- in the internal and external working relationships, to reduce to or maintain in a state of subjection (through violence, threats, deceit, abuse of authority, taking advantage from a situation of physical or psychological inferiority or a situation of need or by promising or giving of money or other advantages to whoever has authority over the person);
- to give rise to harassment, for example, the creation of a hostile work environment against individual workers or groups of workers, unjustified interference in the work of others and the creation of obstacles and impediments to people's job prospects, there including sexual harassment (which means the subordination of opportunities for professional growth or other advantage to the provision of sexual favors or proposals of private interpersonal relationships, which, for being undesirable for the recipient, can harm his serenity).
- give rise to discrimination and / or ridicule against individual workers or groups of workers, for example in the face of situations of physical or mental inferiority or other personal characteristics.

Any form of violence and sexual harassment or related to gender, personal and cultural diversity is prohibited, and therefore it is prohibited for Midac and for the Recipients:

- subordinate any decision relevant to the working life of the human resource to the acceptance of sexual favors or to personal and cultural characteristics;
- induce human resources to sexual favors by influencing their role;
- propose private interpersonal relationships despite an expressed or reasonably evident dislike;
- even just alluding to physical or mental disabilities or impairments as well as to forms of cultural, religious or sexual orientation diversity.

If an Employee deems he has been the victim of harassing behavior or conduct attributable to bullying, he will have the right to formally represent this situation to the HR Department (Human Resources Management) for the necessary investigations: the HR Department will treat the report as confidentially as possible and will verify, within the limits of the powers granted by law, the validity of the report itself, providing an answer within 15 working days and adopting, if necessary, the appropriate measures.

In general, the reports relating to the conduct referred to in this paragraph may be forwarded as indicated in the following article 22.3.

## **ARTICLE 7. RELATIONS WITH COWORKERS**

Each director, manager, employee, in relation to their duties, shall be responsible, in order to implement the principles listed above, to:

- scrupulously observe the internal procedures regarding the selection of not subordinate Coworkers and the management of relations with them;
- carefully select people and companies, only among the reputable and qualified ones;
- adequately inform third parties who enter into relationship with the Company about to the provisions of this Code, requiring their observance;
- promptly report on possible violations of the Code and take the required initiatives.

The Company shall not commence or continue any relationship with subjects that are not willing to comply with the principles set out in this Code of Ethics.

## **ARTICLE 8. RELATIONS WITH PUBLIC ADMINISTRATION**

### **8.1 General criteria**

The relations with the Public Administration, or in any case concerning public interests, entertained by the Recipients must aim to the strict observance of legal and regulatory requirements in force and can not in any way compromise the integrity and reputation of the Company.

In particular:

- all the relationships involving the business functions, even though external Coworkers, with the Public Administration, must comply with the principles of diligence, transparency and honesty, as well as maximum fairness and integrity;
- any undertaking of obligations and the management of relationships of any kind with the Public Administration and/or having public character are exclusively reserved to the corporate functions in charge and authorized to deal with the P.A.;
- in the event the Company appoints a consultant or a third party to represent itself in the relationships with the Public Administration, that subject shall comply with the same guidelines concerning the Employees of the Company (eg. operating procedures and control procedures);

- the Company should not be represented in relations with the Public Administration by a third party if this could cause conflicts of interest.

## **8.2 Obligations and prohibitions for Recipients in relations with the Public Administration**

In general, in the relationships with the Public Administration whether Italian or not, the Company repudiates and sanctions any kind of concussive behavior, corruptive behavior or undue inducement to give or promise money or other benefits. In particular, also, it is stated as follows.

Payment or compensation are strictly forbidden, in any form, offered, promised or made directly or through a natural or legal person, to directors, managers or employees of the Public Administration or their relatives, whether Italian or from foreign countries.

It is forbidden to offer or accept any object, service, benefit or favor in order to obtain more favorable treatment in relation to any dealings with the Public Administration.

If a director, employee or coworker of the Company receives explicit or implicit requests for benefits of any kind by the Public Administration, or by natural or legal persons acting for or on behalf of the same Public Administration, must immediately interrupt every relationship and inform the Supervisory Board.

These provisions also apply in the event of unlawful pressure received during relationships with natural or legal persons employed by or acting on behalf of the Public Administration.

The provisions above do not apply to “courtesy” or “protocol” gifts and presents or to items of little value, which correspond to normal customs, provided that they do not violate the law and that they comply with company procedures. Said presents, anyway, have to be delivered to the Company as per Article 5 above.

It is forbidden to evade the requirements of the present Code of Ethics, by resorting to other forms of aid or contributions which (even in the form of sponsorships, assignments, consulting, advertising, huge or inappropriate discounts or otherwise contrary to normal business practice and business procedures), have the same purpose prohibited by the Code of Ethics.

With respect to funds and contributions:

- it is not allowed to submit false statements to national or European public entities in order to obtain public funds, grants or subsidized loans, or to obtain concessions, authorizations, licenses or other administrative document;
- it is forbidden to allocate sums received from national or European public entities by way of grants, contributions or loans for other purposes than those for which they were assigned.

In the relationship with the Public Administration, the Company should not try to improperly influence the decisions of the entity involved.

In the specific case of a tender with the Public Administration the Company will have to operate within the law and proper business practice, it is expressly prohibited to engage in conduct which, pursuing benefit to the Company, or pursuing an interest of the same, integrate censurable conducts.

In any case during a business negotiation or a relationship, even a commercial one, with the Public Administration, the Company undertakes to:

- not provide job and/or commercial opportunities in favor of the Public Administration staff involved in the negotiation or in the relationship, or to their families;
- not to offer gifts;
- not solicit or obtain confidential information that could compromise the integrity or reputation of the Public Administration staff.

With specific regard to computers or communications systems of the Public Administration, it is also prohibited to:

- alter, in any way, the operation of a computer or electronic system of the Public Administration procuring an unfair profit to the Company with loss of the State;
- access without any right, by any method, to data/information or software stored in the computer or electronic system of the Public Administration;
- exceed the limits of possible permissions granted to access to said P.A. systems/programs.;
- access without right to IT or computer systems relating to military interests or relating to public order or public safety or health or civil protection or otherwise relating to the public interest;
- act in order to destroy, damage, delete, alter or suppress information, data or IT programs used by the State or other public entity or related to them, or which provides public services;
- act in order to destroy, damage, make in whole or in part inoperable, computer or telecommunications systems of public utility or to seriously impede their functioning;
- operate any form of alteration or falsification of statements and notices sent to the Public Administration, also through the Internet, which have to be truthful;
- put pressure on public employees in order to have them alter data and/or information stored in public records, for the benefit of the Company.

**ARTICLE 9. RELATIONS WITH ORGANIZATIONS**

Contributions intended for political, trade union and organizations, paid on the basis of specific regulations, must be paid strictly in accordance with the law and provisions in force. These contributions must be adequately documented.

Contributions cannot be made to organizations with which there could be a conflict of interest with the Company.

Furthermore, the Company, always in compliance with the corporate protocols, evaluates with particular severity and attention the possible disbursement of grants to political and/or trade union parties, movements, committees and organizations.

**ARTICLE 10. RELATIONS WITH GUARANTORS**

Midac fully and scrupulously comply with the provisions issued by the Authorities, whether local, national or international, and will follow the relevant case law.

The Company is committed to providing all the information required by the Authorities in charge for the regulation and control of the markets (products and services) provided, in a complete, fair, appropriate and timely fashion.

**ARTICLE 11. RELATIONS WITH INFORMATION MEANS**

The relationships between the Company and the *media* in general belong exclusively to the corporate functions and/or people authorized to do so and have to be carried in respect with the communication policy defined by the Company.

Recipients are prohibited from providing information to representatives of the *media* without the permission of the corporate functions and/or people authorized to do so.

The same authorization is required for participation, in the name or on behalf of the company, of the employees in committees, associations, conferences, congresses and seminars, as well as for the drafting by them of articles, papers and publications in general.

In the event that such authorization is granted, the information and press releases must be accurate, truthful, complete, transparent and homogeneous and verified by the corporate functions in charge.

Similar rules of conduct must also be applied in relation to corporate communication on *social networks*.

**ARTICLE 12. “NON PROFIT” INITIATIVES**

The Company, in compliance with the principles of transparency and honesty, may make donations to non-profit associations whose goals must always be of the highest cultural and charity value.

Possible sponsorships may involve social issues, sports, entertainment, art and culture. The same are also intended only for events that offer guarantees of quality of the event and reputation of the people involved.

In any case, in the selection of proposals that might be accepted, high attention must be paid to any possible personal and/or corporate conflict of interest.

## **ARTICLE 13. HEALTH AND SAFETY PROTECTION**

### **13.1 General criteria**

All those who are in charge of implementing, at various levels, the rules (internal or otherwise) applied in the area of health and safety in the workplace in carrying out their duties, by way of example and by no way of limitation, should:

- promote and implement any reasonable initiative that can minimize risks and remove the causes that might jeopardize the safety and health of Employees and third parties who provide their services to the Company and customers;
- quickly and constantly conform the internal procedures to the legislation on Health and Safety;
- create and maintain a constructive and cooperative relationship with Public Institutions in charge of monitoring activities in the area of Health and Safety at Work;
- promote and develop education programs and specific information, targeted to the recipients;
- carry out specific checks to verify the effective attendance to the same;
- carry out periodic checks on the effective application of the procedures applied in the area of protection of health and safety in the workplace;
- adopt specific policies and criteria for the selection of external companies which may be appointed for supplying works/services;
- in the management of activities subcontracted to third parties, ensure cooperation and coordination between the business of the Company and that of the subcontracted one.

### **13.2 Smoke**

Midac is committed to ensuring the safety and health of its Employees as well as the health of the environment, subject to the ban of smoking in the workplace.

The prohibition of smoking applies even to “break from work” moments, if these moments are spent outside of the smoking areas, expressly dedicated and indicated by the company.

### 13.3 Abuse and circulation of alcohol and drugs

It is prohibited working under the influence of alcohol or drugs, or other substances causing similar effect. It is also forbidden to use these substances during work performance.

Will be considered similar to the above cases, the states of chronic addiction to alcohol and drugs, where they affect the work performance and may disturb its normal development.

#### **Article 14. ENVIRONMENT PROTECTION**

Midac is committed to contributing to the development and welfare of the environment in which it operates and constantly pursues the protection of the health of its Employees, the other Coworkers and the communities affected by the activities of the Company.

The management of industrial activities should refer, in compliance with legislation on prevention and environmental protection in force, to the more effective environmental protection policies and energy efficiency, in order to reduce its impact on the environment. The Company will - in relation to its specific areas of activity – support the promotion and development of scientific and technological research, to study products and develop processes which are increasingly more compatible with the environment and oriented to the protection and safety of customers, characterized by an increasing focus on safety, on health of Employees and on the protection of the communities where the Company operates.

In particular the Company, in carrying out its activities aims to:

- continuously improve policies, programs, and the environmental behavior of the company, taking into account technological developments, scientific knowledge, consumers needs and community expectations;
- disclose the environmental policy through information, training, consultation and involvement of the Recipients for the responsible conduct of their business in compliance with the environment;
- evaluate the aspects/direct and indirect environmental impacts during the manufacturing and design of new activities and before the sale of a facility or abandonment of a site;
- minimize the environmental impact in the production of waste and their disposal, which is made safe and responsible by planning, development and management of the plants and operating an efficient and safe use of energy, materials, dangerous substances and preparations and sustainable use of renewable resources;
- educate customers, distributors and the public in order to promote the safe use, transportation, storage and disposal of provided products;
- reduce the environmental impact of its products and services, with respect to raw materials, products, processes, exhaust and waste connected to the activity of the enterprise;

- measure and document their environmental performance by performing regular checks and evaluations of compliance with corporate goals and mandatory legislation.

#### **ARTICLE 15. SAFEGUARDING OF ASSETS AND COMPANY ASSETS**

Each Recipient is required to act in compliance with the request and due diligence to protect the corporate resources, avoiding improper use that may cause damage or reduced efficiency, or otherwise be contrary to the interest of the Company or deriving from professional reasons not related to the relationship with the Company. Likewise, the Recipients should not only protect these assets, but also prevent their fraudulent or improper use by third parties.

Each Recipient is the custodian and manager of the assigned company assets (tangible and intangible), necessary for the activity performed: no Employee or Coworkers can make or allow others to misuse the assigned assets and, in general, the Company's resources.

By way of example and not limited to, the Company's corporate resources, for which the principle of diligence in the use and custody set out above applies, include all assets which, due to their activity, are, for various reasons, within the domain of the Company (owned or obtained in concession, loan or in use by private or public subjects) and, in particular:

- plant, machinery, equipment and all production materials;
- tools assigned to Employees and Coworkers, such as, by way of example, safety prevention devices, cars and IT devices of various kinds (eg. computers, telephones).

It should be noted that the disposal of any asset or resource belonging to the Company (eg elimination, destruction) must take place in accordance with the provisions of the company procedures or, in any case, subject to the authorization of the persons in charge.

**ARTICLE 16. USE OF COMPUTER SYSTEMS**

It is forbidden to use the computer, data systems and the tools given to the Recipients to perform their duties (for example: permanent workstation with computers, laptop, email, internet access) for illegal purposes.

These tools must also be used in accordance with regulations, even EU regulations, on protection of personal data in force and /or *data protection* and with *corporate policies*.

The system administrators, and, in general all the people who have “privileged” access to IT resources, need to use IT tools by following the principles of diligence and fairness, with the only aim to verify and ensure the efficient and optimal functionality of said tools, in compliance with the provisions of corporate policy. Any external advisor hired by the Company for the management and use of the IT system will have to comply with the same standards.

It is the duty of each Employee and Coworker to properly safeguard the IT devices and technical equipment made available and promptly report any theft, damage or loss.

It is the duty of each Employee and Coworker to apply company policies relating to the use of e-mail services and internet access in relation to the possibility, which may or may not be granted by the Company, for personal use, as well as work.

In any case, it must be known to each Employee and Coworker that the correct functioning of the company IT systems can only be nowadays guaranteed thanks to control activities, often automatic, on the mentioned systems, carried out for reasons of better efficiency and safety of the same: these activities aim only at this single purpose, and do not constitute, in any way, a form of direct control over the activities of the users of the system.

**ARTICLE 17. PROTECTION OF CORPORATE INFORMATION**

All information relating to the Company that is not publicly known, or concerning its activities or business, and that is known by the Recipients due to their duties or employment or professional relationship has to be treated as confidential, because it is closely owned by such entities, and has to be used only for the performance of his own professional services.

Confidential information includes, without limitation: the technical information relating to products and production processes: the purchase programs; the cost strategies, pricing, marketing or service; the sales information, mergers and acquisitions; information relating to business processes (of any kind they can be, not necessarily productive) and/or the business organization in general.

If an Employee or Coworker deems it appropriate, or legally necessary, to disclose or use confidential information outside the Company, before proceeding they must contact and request appropriate authorization from their immediate superior and wait the time necessary to allow the adoption of suitable protective measures.

In the event that the Company has signed a confidentiality agreement regarding confidential information disclosed by third parties to the Company itself, the Recipients who receive such information must comply with the terms of the aforementioned agreement. The confidentiality obligations remain in force even once the employment or collaboration relationship has ended.

It is reminded that the IT processing of information is subjected to security checks in order to safeguard the Company from undue intrusions or illicit uses and the devices, material or electronic, of the information are destroyed in compliance with the procedures that regulate the topic and within the limits established by law. .

With specific reference to the data and information processed in relation to its business, the Company undertakes to carry out the aforementioned processing, on paper or electronic media in line with the provisions of the law in force, including those issued by the EU.

Each Employee must to carry out their work in order to: i) obtain and process only the data necessary and directly related to their duties; ii) store such data in such a way as to prevent unrelated third parties from having disclosure of them; iii) communicate (and / or disclose) the data in accordance with company procedures.

## **ARTICLE 18. COMPETITION**

The Company, recognizing the importance of a competitive market, is committed to complying with the law on competition.

Agreements between companies and all situations that may distort competition, in particular those agreements which contain exclusivity clauses, constraints on price determination, territorial restrictions are subject to anti-trust legislation. Therefore, in every case of potential conflict with the competition rules, it is previously applied for the verification of legal experts.

The Company repudiates and sanctions any kind of corruptive behavior in relations between private individuals. In particular, it is censured the behavior of those who give or promise money or other benefits to any person belonging to other economic entity (eg. directors, officers, employees, etc.) in order to make them violate the obligations of their office or their duty of loyalty against the entity to which they belong.

More generally, acts of unfair competition are prohibited and, in general, unfair actions in commercial competition, therefore, by way of example, the following conducts are prohibited:

- corruption or use of bribes to favor an activity or induce contractual violations by third parties;
- acquisition of a competitor's trade secrets through corruption or theft;
- false, misleading or disparaging statements or comparisons in relation to competitors or their respective products;
- statements without reasonable foundation made regarding the products of third parties or competing companies;
- dissemination of commercial information of the Company to competing companies;
- enticement of employees or agents of the Company in favor of competing companies;
- disclosure to third parties of information on the Company's customers.

All public statements made on behalf of the Company (including those contained in advertising or promotional material, sales statements, warranties, instruction manuals) must always be truthful, based on reasonable grounds and not misleading.

#### **ARTICLE 19. ACCOUNTING TRANSPARENCY**

Midac undertakes to ensure that the financial statements and corporate communications required by law are drawn up clearly and capable of representing the Company's equity and financial situation in a correct and truthful way. This should comply with the law and accounting principles applicable.

All Recipients cooperate in a transparent keeping of accounting records by providing complete and clear information and ensuring the accuracy of the data and activities carried out by them. In particular, moreover, all Recipients, for any reason involved in the preparation of the financial statements, are required to comply with the rules concerning the truthfulness and clarity of accounting data and evaluations.

More generally, all Recipients involved in the preparation of economic, equity and financial reporting must ensure that the reports produced correctly reflect the Company's commercial transactions and financial movements.

The communications, complaints and deposits (e.g. at the register of companies) that are required by law must be made by the persons in charge in a truthful and timely manner, in compliance with regulations in force.

Midac and the Recipients must provide the utmost and timely collaboration to all control authorities / bodies, which legitimately ask them for information and documentation about the administration of the Company.

All Recipients who become aware of omissions, falsifications or negligence in accounting records or records, are required to promptly report them to their superior and to the Supervisory Board.

## **ARTICLE 20. PROHIBITIONS AND RECOMMENDATIONS**

It is forbidden to use the devices/tools (eg computers) and corporate structures to: i) hold or encourage, in any way - nationally or internationally - the circulation of pornographic material; ii) promote organized crime, both national and transnational.

It is forbidden to use the tools provided (e.g. work clothing, personal protective equipment) outside the work context for which they are given and intended and, more generally, in contexts that are not compatible with that of the company: the Company will intervene at its own protection against uses that, even if carried out outside the workplace, can still damage the prestige, honour and reputation of the Company, or that can even cause only the risk of damage to the corporate image and credibility.

It is forbidden to engage in indecent and / or undignified behavior in the workplace. Midac hopes that all the Recipients of this Code, in particular, its Employees, will behave with decorum and dignity even in non-working contexts: the Company will intervene to protect itself against attitudes that, even if assumed outside the workplace, may in any case harm the prestige, honour and reputation of the Company, or that may even cause the risk of damage to the corporate image and credibility.

## **ARTICLE 21. PREVENTION OF BEHAVIOURS WHICH MIGHT LEAD TO CRIMES AND CONNECTED WITH CRIMES**

### **21.1. Overview**

Here below we list some principles of conduct specifically intended to avoid the risk of crimes included into Legislative Decree no. 231/2001.

These principles may constitute an integration and further specification of some principles already expressed by this Code, or the introduction to more precise control measures already included in the Special Part of the Compliance Program adopted by Midac.

It should be noted that, for some crimes referred to in Legislative Decree no. 231/2001, the most effective prevention is constituted precisely by the behavioural compliance of the personnel to the prescriptions given by this Code, rather than by specific organizational or technological controls adopted by the Company: in certain circumstances, the full awareness of the personnel with reference to the real risks of their own behavior (*awareness*) is the most effective preventive tool.

### **21.2 Counterfeiting Bills, Money and others**

It is prohibited to falsify banknotes, coins, public credit cards, duty stamps and filigreed paper in the interest and/or benefit of the Company. It is also prohibited to circulate (accepting, buying and/or selling) banknotes, coins, public credit cards, duty stamps and counterfeited filigreed paper.

Anyone who receives as payment banknotes or coins or public credit cards counterfeited or stolen, due to relationships attributable to the Company, shall promptly inform their own superiors and the Supervisory Board.

### **21.3 Handling of Stolen Goods, Money Laundering**

Midac and the Recipients undertake to comply with anti-laundering legislation.

Midac and the Recipients must never be engaged or involved in any activity which may imply the purchase, receipt, concealment, money laundering (ie. the acceptance or processing) or use in economic or financial activities of money, goods (eg. products) or other benefits deriving from criminal activities in any form or manner.

It is necessary to verify in advance the available information (including financial and reputation information) on business partners and suppliers before establishing business relationships with them, in order to ascertain their reputation and the legitimacy of their activities.

### **21.4 Accounting records, book-entries and corporate crimes**

As highlighted above, all Recipients collaborate in a transparent keeping of the accounting records by providing complete and clear information and ensuring the accuracy of the data and processing carried out by them. In particular, moreover, all Recipients, for any reason involved in the preparation of the financial statements, are required to comply with the rules concerning the truthfulness and clarity of the accounting data and evaluations.

More generally, the Recipients must avoid and / or oppose behaviors that could lead to corporate crimes.

It is strictly forbidden:

- to falsify or induce third parties to falsify any company register or document;
- to conceal or not record the Company's accounts, funds, assets or provisions, including off-balance sheet items or provisions;

- to prevent or hinder the performance of control or auditing activities of the people appointed or in charge (eg. by concealing documents or in other ways);
- to engage in fake or fraudulent conduct with the aim of determining the majority in a shareholders' meeting in order to obtain for themselves or others an unfair profit;
- to widespread false information or engage in fake transactions or any other disguise capable of causing a significant change in the price of shares of the Company, if "listed";
- to expose to the public supervisory authorities, in the communications required under the law and in order to hinder the exercise of their supervisory functions, untrue material facts, even if subject to assessment on the economic situation, property situation or financial situation of the Company, and hide with other fraudulent means facts that should be communicated. This principle also refers to information on assets held or administered by the Company on behalf of third parties;
- in any form, consciously obstruct the public supervisory authority activities;
- disclose accounting data without express authorization, without prejudice to the "advertising to third parties" regime provided for in the financial statements (Public Register of Companies).

It is also prohibited:

- to pay back contributions made by shareholders or release the shareholders from the obligation to pay them, except in cases of legitimate reduction of the share capital, even through fake actions;
- to distribute profits or advances on profits not actually realized or allocated to reserves or to distribute unavailable reserves;
- to reduce the share capital, to proceed with mergers or spin-offs/demergers in violation of legal provisions protecting creditors;
- to establish or fictitiously increase the share capital by allocating shares for less than their face value, mutual subscription of shares or quota, significant overvaluation of contributions of assets in goods or credits, or assets of the Company in case of its transformation;
- to carry out any kind of operation that can cause damage to creditors;
- in general, engage in any conduct contrary to the safeguarding of company assets and the position of corporate creditors.

### **21.5 Bribery and incitement to bribery among private people**

It is strictly forbidden, even through a third party, to offer, promise or give money or other benefits that are not due for a person to perform or omit an act in violation of the obligations inherent in their office or the obligations of loyalty (corruption/bribery), even when the offer or promise is not accepted (induction/incitement).

Similarly, it is strictly forbidden to solicit or receive, for oneself or for others, even through a third party, money or other benefits that are not due, or accept the promise, to perform or omit an act in violation of the obligations inherent in one's office or obligations of fidelity (passive corruption), even when the solicitation is not accepted (induction).

In the event that offers or promises of money or other benefits from third parties are received, not only must they be firmly refused but the circumstance must also be immediately reported to one's superior.

#### **21.6. Illegal gang-masters and exploitation of workmanship**

Midac rejects any activity aimed at recruiting workmanship for the purpose of assigning it to work for third parties in conditions of exploitation, taking advantage of the workers' state of need.

Midac does not use, hire or employ manpower, even through the intermediation activities mentioned above, subjecting the workers to conditions of exploitation and taking advantage of their state of need.

Midac guarantees: i) salaries in line with current legislation and the related national and territorial collective labor agreements, proportional to the quality and quantity of the work performed; ii) compliance with the provisions on working hours, rest, leave of absence and holidays; iii) compliance with the rules on health and safety in the workplace; iv) the absence of cases of subjecting the worker to degrading working conditions, surveillance methods or housing situations (where necessary).

Anyone who has news of behaviors in violation of the above, for example implemented by third parties having relations with the Company (eg suppliers), must immediately report it to their superior.

#### **21.7. Illegal immigration**

Midac rejects any activity aimed at promoting, directing, organizing, financing or carrying out the transport of foreigners in the territory of the State, or carrying out acts aimed at illegally procuring their entry into the territory of the State, or of another State of which the person is not a citizen or does not have a permanent residence title.

Anyone who has news of behaviors in violation of the above, for example implemented by third parties having relations with the Company (eg suppliers), must immediately report it to their superior.

#### **21.8. Racism and xenophobia**

Midac rejects any activity of propaganda of ideas based on superiority or racial or ethnic hate, or any activity aimed at committing or inciting to commit acts of discrimination for racial, ethnic, national or religious reasons.

Midac also rejects any initiative aimed at committing or instigating to commit violence or acts of provocation to violence for racial, ethnic, national or religious reasons.

Midac personnel must absolutely refrain from engaging in racist or xenophobic behavior (as described above), also by avoiding participation and / or assistance to organizations, associations, movements or groups whose purpose is to incite discrimination for racial or ethnic, national or religious reasons.

Particular attention must be paid to attitudes of minimization of issues relating to the Shoa, genocide, crimes against humanity, war crimes, as defined by articles 6, 7 and 8 of the Statute of the International Criminal Court.

## **ARTICLE 22. SANCTIONS**

### **22.1 Sanctions**

Recipients must strictly adhere to their obligations under the law and the regulations and, each for their own position, observe the special provisions under this Code of Ethics.

The principles expressed in the Code of Ethics are an integral part of the provisions governing the labor relations as an expression of conduct that the Recipients are required to comply with, under the criminal and civil laws in force and the obligations under National Collective Labor Agreement.

Recipients who violate this specific Code will be imposed penalties in compliance with the disciplinary provisions of the Compliance Program adopted by the Company and of which the Code is an integral part, said penalties are in line with those provided for by the applicable National Collective Labour Agreement (CCNL)

### **22.2 Internal audit**

The administration of the Company is carried out in compliance with the principles of *corporate governance* best suited to ensuring the implementation of activities according to good corporate governance rules and provisions of the Code.

The Internal Control System adopted by the Company, whose effectiveness evaluation is left to the Board of Directors, must aim at the adoption of tools and methodologies for ensuring:

- effectiveness and efficiency of operational processes;
- correctness of reporting;
- compliance with applicable regulations.

The *management* must constantly take care of the compliance of behavior with what is stated in the Code and, if necessary, implement special monitoring programs.

Recipients must actively participate, where required, in auditing activities on compliance with the Code.

### 22.3 Reporting of violations

Midac requires all Recipients to strictly comply with the provisions of this Code.

If any Recipient becomes aware of situations, even potentially illegal or contrary to the principles expressed in this Code of Ethics, has to immediately provide notice and failure to comply with the duty to inform may be subject to disciplinary sanctions (reporting).

It should be noted that retaliation or discriminatory acts, direct or indirect, against whistleblowers for reasons related, directly or indirectly, to the information are prohibited: Midac guarantees that no retaliation will be implemented by the Company following the report.

Company staff may inform their superior and / or the HR Department (Human Resources Management) and / or the Supervisory Body through the communication channels dedicated to the violations of the Code of Ethics.

All Recipients may contact the Supervisory Body, through the communication channels dedicated to this (e.g. dedicated email address), as indicated in the Compliance Program (General Part).

The reports received are quickly examined and processed by the Supervisory Board, or its delegate, in strict confidence, guaranteeing, in any case, the non disclosure of the identity of the informant. The Supervisory Board assesses the information received and any consequent measures, has the power to hear the author of the report and/or the person responsible for the alleged violation, and must motivate its decisions in writing. The Supervisory Body can propose to the top management the imposition of sanctions for the violations committed, if ascertained.

Relations among the Recipients, at all levels, must be based on criteria of fairness, loyalty and mutual respect. Therefore, the abuse of the duty of information governed by this article for emulative or blackmail purposes is punishable.

Each Recipient must fully cooperate in any investigation regarding Code violations, maintaining the utmost confidence regarding the existence of said investigations.

**ARTICLE 23. CODE OF ETHICS: EFFECTIVENESS, UPDATE AND CHANGES**

This Code is adopted by resolution of the Company's Board of Directors, is immediately effective, and each update, change or addition to this Code must be approved by the Company's Board of Directors. The Code of Ethics must be brought to the attention of the Recipients by suitable means.

The Code of Ethics and its updates will be available in electronic format, as well as in the company intranet, in a special dedicated Section, and even on the company's WEB Site [[www.midacbatteries.com](http://www.midacbatteries.com)], so that all the Recipients and third parties can have full knowledge.

**ARTICLE 24. BRANCHES (SUBSIDIARIES)**

Midac undertakes to disseminate the Code of Ethics also to its subsidiaries, including foreign companies, taking care to promote its adoption or, in any case, the application of the principles contained therein.

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