



THE SPECIALIFT

Code of Ethics

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	<i>Function</i>	<i>Date</i>	<i>Signature</i>
<i>Verified by</i> <i>Approved by</i>	the Board of Directors	04.07.2023	

INTRODUCTION

The Code of Ethics adopted by the Company *in toto* incorporates the contents and principles invoked in C.M.C. S.r.l.

In this regard, it should be noted that the rules of conduct and the principles enshrined therein establish a constraint aimed at guiding the conduct of all those who are linked to C.M.C. S.r.l. from an employment relationship or act in the interest of the same.

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CONTENTS

INTRODUCTION	2
Document revisions... ..	3
Table of contents	4
1. INTRODUCTION.....	7
1.1. General information	7
1.2 Purpose and Scope of Application.....	7
1.3 Document organisation	8
2. GENERAL ETHICAL PRINCIPLES.....	9
2.1. Company <i>mission</i>	9
2.2. Core Values.....	9
3. RULES OF CONDUCT	12
3.1. General information	12
3.2. Criteria of conduct in relations with employees/collaborators and with corporate bodies	12
3.2.1. Gifts.....	12
3.2.2. Employees/Collaborators.....	12
3.2.2.1. Human Resources Management	12
3.2.2.2. Workplace Health and Safety and Protection of Privacy	14
3.2.2.3. Rules of conduct in the company	14
3.2.2.4. Use of company assets	14
3.2.2.5. Use of Company E-mail and Internet	15

3.2.3. Management and Control Bodies.....	15
3.2.3.1. Shareholders' Meeting.....	15
3.2.3.2. Board of Directors	15
3.2.3.3. Internal Control System	16
3.2.3.4. Board of Statutory Auditors.....	16
3.2.4. Processing of Confidential Information.....	17
3.3. Criteria of conduct with the external environment	17
3.3.1.I Customers	17
3.3.2. Suppliers.....	17
3.3.3. The Public Administration	18
3.3.4. Organisations, associations, events.....	18
3.3.5. Prevention of corruption between private individuals	19
3.3.6. Whistleblowing.....	19
4. PROCEDURES FOR IMPLEMENTING THE CODE.....	21
4.1. Methods of Dissemination and Implementation of the Code of Ethics	21
4.2. Violations of the Code of Ethics and sanctioning system	21

Letter from the Chief Executive Officer



Today I am pleased to share with you the Code of Ethics of C.M.C. S.r.l.

This Code establishes the principles on which our daily behaviours are established, based on ethics, and it describes the way in which we protect our workforce, manage our *business*, our relations with the outside world, our resources and information.

I want to emphasise the importance of two fundamental words: diversity and integrity. These are the factors that I would like to see lead our Company to the top in terms of respectability and results.

Integrity is the *common thread* that must guide our choices and behaviour.

With our integrity we ensure compliance with laws, regulations and *best practices*; in this way we can offer our customers safe and high quality equipment and services. Integrity underpins competitiveness and is the foundation of our sustainable growth. It is the way in which, day after day, we build our reputation and, at the same time, the basis on which our customers, the workforce and all other parties involved in our activities can fully rely.

This Code of Ethics must be the Guiding Star of our behaviours: all of us must know the principles and rules that it contemplates, always bearing in mind that whatever we do, it must always be done with integrity.

I am sure that each of you will make a commitment to observe the Code of Ethics every day. Thank you.

Alessandro Mastrogiacono
Chief Executive Officer of C.M.C. S.r.l.

1. INTRODUCTION

1.1. General information

C.M.C. S.r.l. (hereinafter also referred to as "CMC") seeks to stand out for the effectiveness of the actions implemented in order to acquire technical levels of excellence and the highest standards of professionalism. The Code of Ethical Conduct and CMC's standards of conduct confirm the company's commitment to ethical behaviour in all areas of its activity, proudly claiming to have always operated in accordance with the principles of fairness, integrity and social responsibility.

This tool identifies the set of values that constitute company ethics, the guiding principles as well as the fundamental directives to which the company activities and behaviours of all those for whom the Code is intended must comply, within the scope of their respective competences and in relation to the position held in the company organisation.

It is addressed to the Corporate Bodies, Employees, Collaborators, Consultants, third parties (**Recipients**) that operate within CMC, or that are in any case linked to it, so that the Ethical Principles it is inspired by are clear, unequivocal and understandable.

Managers, at every level, assume the responsibility of checking that adherence to the Code of Ethics and rules of conduct is not a mere statement of principles, but that those principles are concretely implemented in daily operations.

Therefore, no one may evade their personal responsibilities by justifying their actions as complying with directives received - not inspired by these principles - from superiors, since no one is authorised to impart such provisions.

All, without exception, are held responsible for their actions, both as individuals and as representatives at any level of the company, in the absolute awareness that only by bearing these principles in mind has the company managed to achieve important goals, to obtain the respect it currently enjoys and will be able to have increasingly better future prospects.

Any intention or assumption that deviates from what has just been described is not acceptable and must be excised from the company system.

The objectives pursued by the Code of Ethics are not only legal and economic, but are dictated by a precise social and moral commitment that CMC has assumed, as a distinctive element of its business correctness.

1.2 Purpose and Scope of Application

This Code of Ethics applies to C.M.C. S.r.l.; it, dictating rules of conduct in the conduct of business and in the management of the company's activities, constitutes a behavioural constraint for all those who, directly and indirectly, permanently or temporarily are linked to the company by a collaborative relationship or operate in the interest of the same.

CMC S.r.l. seeks to develop relationships based on mutual trust and fairness with its employees, collaborators, customers, suppliers and partners, committing itself, also in accordance with the provisions of Legislative Decree no. 231 of 2001, to guarantee:

✓ appropriate disclosure, making it available to all and possibly implementing training/information programmes;

✓ a periodic review to ensure a Code that is always in line with the evolution of civil society's sensitivity to environmental conditions and regulations;

✓ tools to evaluate and possibly sanction conduct that violates the rules defined in this document;

- ✓ periodic checks relating to compliance with and observance of the Code of Ethics.

1.3 Document organisation

This document consists of three parts:

- General Ethical Principles;
- Standards of Ethical Behaviour;
- Implementing Provisions.

2. GENERAL ETHICAL PRINCIPLES

2.1. Company *mission*

C.M.C. S.r.l. (hereinafter also "the Company") was founded in 1998 with the mission of designing and building aerial platforms, investing in research, innovation, technology.

The Company has as its purpose - among other things - the following main activities¹:

- ✓ the construction of aerial platforms, self-lifting scaffolding, suspended cable scaffolding, metal carpentry of all kinds and types, machinery and electronic, electromechanical, crane and hydraulic components;
- ✓ the construction, installation, repair, maintenance of any kind and sort, on plants, machinery and equipment for industry, crafts, agriculture and commerce;
- ✓ the purchase, sale, rental of aerial platforms, people-carrying baskets, self-propelled vehicles, *dump trucks*, concrete mixers, concrete pumps, cranes, crane trucks, compressors, water pumps, winches, forklifts, bins, compactors, environmental equipment, tow trucks, lorries, tractors, ladders, moving ladders, hoists, off-road vehicles, cars, vans, trailers, bicycles, lifting devices.
- ✓ technical-management support services.

The *mission* of C.M.C. S.r.l. is the search for innovative solutions aimed at optimising production processes, in the sector of the construction of aerial platforms.

More specifically, CMC was founded with the aim of building aerial platforms and continuously raising their quality, investing in research, innovation and technology.

The results achieved so far have been achieved thanks to the professionalism and flexibility of all employees and their ability to interpret and adequately meet the needs of customers, as well as a strong motivation and sharing of company objectives.

2.2. Core Values

At CMC, relationships and behaviour, at all company levels, are based on basic principles such as honesty, fairness, transparency, confidentiality, impartiality, diligence, correctness and mutual respect.

CMC has identified some core values that all recipients of this Code must adhere to:

➤ **Professional Development, Enhancement of Human Resources and Equal Opportunities**

The personnel is an important resource for CMC, which it is essential to take care of in a strategic and targeted way to consolidate and increase its competitive advantage. CMC offers all its employees adequate tools and opportunities for professional growth, as it considers the competence and professionalism of its personnel two factors that greatly influence the quality of the products and services provided to its Customers.

At CMC, the selection, training, management and development of Human Resources are carried out on the basis of criteria of individual merit, competence and professionalism, ensuring the protection of the principle of equal opportunities. On this basis, career paths and salary advances are managed, ensuring transparency, reliability and correctness of the evaluation methods applied.

¹ Art. 2 of the Articles of Association of the Company C.M.C. S.r.l.

➤ **Protection of Physical and Moral Integrity:**

CMC ensures the physical and moral integrity of its personnel and is committed to complying with national regulations on occupational safety.

➤ **Respect for Company Assets**

Each employee is responsible for the preservation in good condition of the company assets and resources entrusted to him or her for the performance of his or her activity, for the maintenance of which good sense and diligence is required.

Personnel may not use assets, resources and services owned by the Company or its customers for personal gain.

➤ **Confidentiality and Protection of Privacy**

CMC ensures the confidentiality of the information in its possession relating to its employees, collaborators, customers, suppliers, shareholders and partners without prejudice to legal and contractual obligations.

CMC personnel must use confidential information only for purposes related to the performance of their activity.

CMC personnel, both during collaboration with the company and after the possible termination of the employment relationship, must not disseminate the information acquired within the company without authorisation from the company.

CMC guarantees the protection of the personal data of each of its Collaborators and undertakes to process them in compliance with the relevant legislation.

➤ **Honesty, Impartiality and Fairness**

As representatives of the company, the recipients of the Code of Ethics must operate within the scope of their professional activity according to honesty, impartiality and fairness, respecting national and international laws, the Code of Ethics and internal regulations.

CMC avoids, in business processes (such as personnel selection, supplier selection, personnel management), any discrimination related to age, sex, health conditions, race and political and religious opinions.

CMC ensures, as its fundamental value, the utmost correctness in every relationship both internal and external to the company, guaranteeing fidelity to the word given, to promises and agreements, even in the absence of written evidence.

➤ **Conflict of interest**

In the course of business activities, it is necessary to avoid situations that may generate a conflict of interest.

Conflict of interest means any situation in which one pursues, with his or her own behaviour, purposes other than those of the company and/or personally takes advantage of opportunities related to CMC's activity.

➤ **Clarity and transparency**

CMC, in carrying out its activities, is based on principles of transparency and clarity of information, in particular in the management and reporting of the financial resources used and in the consequent accounting record.

➤ **Fair competition**

CMC believes in fair competition as a fundamental tool for consumer protection. To this end, it undertakes to operate with the utmost correctness in full respect of its competitors, undertaking not to behave in such a way as to abuse any dominant positions.

➤ **Respect and protection of the environment**

CMC S.r.l., aware of the importance of safeguarding and protecting the environment for future generations, is committed to spreading an environmental culture in compliance with current laws, constantly reducing the environmental impact of its production processes.

3. RULES OF CONDUCT

3.1. General information

This chapter defines in detail the Rules of Conduct to which all subjects who work with CMC must comply during the performance of work activities in compliance with the dictates of the Code of Ethics.

3.2. Criteria of conduct in relations with employees/collaborators and with corporate bodies

3.2.1. Gifts

All recipients of this Code - with the exception of management personnel - are not authorised:

- to accept any form of gift;
- to make donations in cash or goods.

Courtesy gifts of modest value are defined as those falling within normal courtesy relationships and commercial practice. Gifts must not compromise the integrity and reputation of one of the parties involved or influence the independence of judgement in the recipient of the gift.

The Chief Executive Officer, the directors of the Board of Directors or the statutory auditors who receive gifts that go beyond ordinary courtesy relationships, in order to acquire favourable treatment in the conduct of any business activity, must immediately notify the SB; in addition, the statutory auditors must also inform the CEO and the Board of Directors. The SB, after the appropriate checks, will, through the appropriate functions, manage the external communication and inform the author of the gift, gratuity, etc. about the company policy on the subject.

3.2.2. Employees/Collaborators

3.2.2.1. Human Resources Management

Human resources play a key role for CMC, as they are an indispensable element for the existence of the company and a critical factor to compete successfully on the market. Honesty, correctness, ability, professionalism, seriousness and competence are therefore among the decisive conditions for achieving the Company's objectives.

Selection Policies

In order to contribute to the development of business objectives, and ensure that these objectives are pursued by all in compliance with the ethical principles and values to which CMC is inspired, the company policy is aimed at selecting personnel with professional skills corresponding to the profile sought and, therefore, necessary to meet business needs, for this reason offering equal employment opportunities, ensuring fair treatment on the basis of individual skills and abilities, avoiding favouritism and facilitation of any kind and, ultimately, inspiring their choice exclusively to criteria of professionalism and competence without discrimination of sex, race, political and religious opinions.

The personnel of CMC is recruited with a regular employment contract, in accordance with the relevant laws and collective agreements and regulations in force. CMC has defined an orientation programme for new hires that provides specific procedures to provide the resource with information about the history, organisation, policies, rules, *benefits*, services, company procedures, etc., of the company for the proper performance of his or her work.

The development of Professionalism

In the evolution of the employment relationship, CMC undertakes to create and maintain the necessary conditions so that everyone's skills, knowledge and competences can be further expanded, following a policy based on the recognition of merits and equal opportunities, and providing specific training programmes aimed at professional development and the acquisition of greater skills. For this reason, CMC considers training of the personnel a strategic element for the professional development of its employees.

The employee is asked to cultivate and encourage the acquisition of new skills, knowledge and capabilities, while the various persons in charge must pay the utmost attention to enhancing and increasing the professionalism of their employees by creating the conditions for the development of their skills and the realisation of their potential.

In CMC, periodically, the evaluation of personnel is carried out in order to identify strengths and weaknesses, evaluate work performance and the level of competence achieved, so as to be able to plan a path of professional growth also through personalised training courses.

Safeguarding Health and Protection of the Person

CMC considers its employees and collaborators as the primary lever of its work activity, involving them in the company's business, offering them services that improve the quality of life and guaranteeing a work environment based on attention, listening, trust and professional recognition.

In order to ensure this context, CMC promotes working conditions that protect the psychological integrity of people, promote the ability to work in teams and take responsibility.

CMC also undertakes to protect the moral integrity of its employees and collaborators by safeguarding them from acts of psychological violence and combating any form of discrimination or injury to the person and their ideas.

CMC repudiates all forms of sexual harassment, bullying and verbal behaviour or statements that may disturb the person's sensitivity.

Anyone who believes they have been the subject of at least one of the cases listed above must report the incident to the Human Resources Manager, who will assess the actual violation of the Code of Ethics in order to propose prompt sanctioning measures.

No manager shall abuse his or her position to request benefits not attributable to the performance of normal work activities and may not demand from his subordinates personal favours or activities in open violation of this Code.

Each employee must be, within the limits of their experience and demonstrated skills, involved in decisions relating to the design and execution of the work, contributing constructively to the implementation of the planned activities.

Disparities in treatment that are justified or justifiable on the basis of objective criteria are not considered discrimination.

3.2.2.2. Workplace Health and Safety and Protection of Privacy

CMC, already in compliance with the Consolidated Law on Occupational Safety referred to in Legislative Decree no. 81 of 2008 and any other regulatory provision on the subject, undertakes to protect workplace safety and the health of workers, preparing all necessary and appropriate measures to ensure the absolute compliance of workplaces with the highest standards in terms of safety and hygiene. CMC also disseminates and consolidates a culture of safety, protecting the health of workers in the workplace, informing personnel of any risk situations previously identified and promoting responsible behaviour by all personnel.

CMC, in full compliance with the Code on the protection of personal data and the regulations for the protection of privacy, guarantees the protection of the personal data it requires from its employees/collaborators, adopting strict procedures for their storage and processing. These procedures ensure, without prejudice to the hypotheses dictated by specific laws, the impossibility of disseminating data and news related to its employees without their explicit consent.

3.2.2.3. Rules of behaviour in the company

CMC considers it necessary to share and apply some fundamental rules to which all company personnel must adhere. *In primis*, in order to work at CMC, it is necessary to behave fairly and comply with the requirements included in the signed contract, in this Code and in all company procedures. In addition, personnel are required:

- with reference to administrative personnel, to wear clothes appropriate to the work context;
- to use appropriate language, both written and verbal, avoiding excessive expressions disrespectful of the company's working environment;
- to maintain, both internally and externally, relationships that are based on respect, availability, kindness, courtesy and good manners;
- to observe the confidentiality obligations for all the information in its possession, relating to CMC, customers, suppliers and third parties;
- to avoid possible situations of conflict of interest and/or to take direct or indirect advantage of possible opportunities that have come to their attention due to the position held.

3.2.2.4. Use of company assets

All personnel are required to use the company assets with the utmost care in compliance with the purposes for which they were granted.

Company assets are allocated on the basis of specific company procedures and each employee/collaborator must avoid misuse, damage and waste.

In the event of theft, damage or loss, the employee must promptly inform his or her manager. CMC firmly sanctions all personnel in the event of unlawful theft of company, temporary or permanent assets.

For the correct use of the IT tools and the applications contained in them, the employee is required to observe all the necessary measures to preserve their functionality.

CMC requires its personnel not to modify the content of the applications regularly installed on computers in compliance with the rules on copyright protection. CMC, in compliance with the confidentiality of personnel data, may carry out checks on employees' personal computers in order to verify the exclusive presence of the software for which it has purchased a regular license.

It is also forbidden to install unauthorised programmes on these computers, which could potentially be carriers of "viruses". If for any reason the user suspects the presence of viruses in his or her *personal computer*, the user must immediately inform the competent parties for the appropriate measures.

3.2.2.5. Use of Company E-mail and Internet

E-mail and internet users must use these tools for work purposes only, refraining from inappropriate behaviour that is harmful to the company's image and to subjects inside and outside the company.

With reference to the use of the Internet, it is recommended not to browse websites with indecent and/or offensive content and to privilege sites that can be considered "secure" from an IT point of view, in order to preserve the integrity of corporate information systems.

3.2.3. The Management and Control Bodies

The Corporate Governance system adopted by C.M.C. S.r.l. is inspired by the highest standards of transparency and fairness in business management. This system integrates the framework of rules and procedures, outlined in the Articles of Association and the applicable legal provisions, in which the Company's Management and Control System is based.

In compliance with the Articles of Association, the administration and control model adopted by the Company is that focused on the Board of Directors – Board of Statutory Auditors combination; specifically, in this model, the Governance of the Company is characterised by the presence of:

- ✓ the Board of Directors
- ✓ two Managing Directors;
- ✓ a Board of Statutory Auditors;
- ✓ the Shareholders' Meeting.

The Company and its Bodies comply with the principles of correct corporate and entrepreneurial management.

This corporate governance system is aimed at maximising the value for the sole shareholder as well as controlling risks to the company.

The following describes the criteria of conduct of the company's governing bodies.

3.2.3.1. Shareholders' Meeting

As of 31 March 2023, the share capital of C.M.C. S.r.l. is owned by the following shareholders: sole shareholder NewCo C.M.C. S.p.A.

3.2.3.2. Board of Directors

The Company is administered by the Board of Directors which is invested with all the broadest powers for the ordinary and extraordinary management of the Company - except those expressly conferred on the Managing Directors - with all the powers for the implementation and achievement of the corporate purposes.

Therefore, it may contract any kind of obligation and carry out any act of capital disposal exceeding the limits of the powers conferred on the Managing Directors, being within its competence anything not expressly reserved by law for the resolutions of the Shareholders' Meeting as well as anything not referable to the powers attributed to the Managing Directors.

It is responsible for the strategic and organisational guidelines and for monitoring the Company's performance.

Representation is the responsibility, vis-à-vis third parties and in court, of a Managing Director, who has the right to confer powers and appoint institutes and attorneys for the performance of particular acts within the scope of the delegated powers.

The Board of Directors acts with full knowledge of the facts and independently, pursuing the priority objective of creating value for the shareholder and, to this end, takes all the necessary and useful decisions to implement the corporate purpose.

The Board of Directors also has the task of verifying the existence and effectiveness of internal control systems, which are essential for monitoring the company's performance.

The members of the Board of Directors are required to:

- ✓ perform their duties with professionalism and awareness;
- ✓ express their vote autonomously and according to conscience;
- ✓ report any type of conflict of interest that may arise;
- ✓ keep confidential the information in their possession acquired in the performance of their duties.

3.2.3.3. Internal Control System

The internal control system is the set of rules, procedures and organisational structures aimed at allowing, through an adequate process of identification, measurement, management and monitoring of the main risks, a healthy, correct and consistent management of the company with the objectives set.

An effective internal control system helps to ensure the safeguarding of corporate assets, the efficiency and effectiveness of company operations, compliance with laws and regulations.

The Board of Directors is responsible for the internal control system, which establishes the guidelines and periodically verifies their adequacy and effective functioning, ensuring that the main company risks are identified and adequately managed.

The Board of Directors ensures that its evaluations and decisions relating to the internal control system are supported by adequate investigative activity.

The verification of the effectiveness and efficiency of the internal control systems is entrusted to the *Audit & Assurance* function commissioned to a third party, in order to guarantee the requirements of impartiality and operational autonomy in the performance of the related activity.

The third party body indicated above reports its work to the Board of Directors, the MD and the SB.

3.2.3.4. Board of Statutory Auditors

The Board of Statutory Auditors monitors compliance with the law and the Articles of Association, compliance with the principles of proper administration and, in particular, the adequacy of the organisational, administrative and accounting structure adopted by the company and its concrete functioning.

The Board of Statutory Auditors in office is in possession of the independence requirements required by law for statutory auditors.

The Board of Statutory Auditors also acts autonomously and independently towards the shareholder.

The Board of Statutory Auditors is required to keep confidential the documents and information acquired in the performance of its activities.

The statutory audit is entrusted, pursuant to Article 2409 *bis* of the Civil Code, to an independent auditing firm, PricewaterhouseCoopers S.p.A. (PWC).

PWC, as statutory auditor, verifies that the financial statements for the Company are prepared with clarity and represent in a truthful and correct manner the balance sheet and financial position, as well as the economic result of the Company.

3.2.4. Processing of confidential information

All the resources that work for CMC are required to keep confidential the documents and information acquired in the performance of their tasks; in general, relations with *stakeholders* are regulated, on the point, by specific contractual clauses.

3.3. Criteria of conduct with the external environment

3.3.1. Customers

Governance aims at pursuing quality objectives that are compatible and consistent, as well as achievable, with the company's guidelines and orientations, ensuring that the needs of its customers are defined and met in order to increase their satisfaction (*Customer Satisfaction*). In this regard, CMC undertakes:

- ✓ to sign contracts drawn up in a clear and complete manner and in compliance with the laws and regulations in force;
- ✓ to always comply with the commitments and obligations assumed towards customers;
- ✓ to adopt a style of behaviour based on professionalism, courtesy, collaboration, transparency, fairness and impartiality;
- ✓ to provide services with a high quality content by monitoring the quality perceived by the customer through periodic *Customer Satisfaction* surveys;
- ✓ to promptly report any behaviour of a Customer that appears contrary to the Ethical Principles of this Code.

3.3.2. Suppliers

CMC has prepared and maintains a procedure that provides for the initial evaluation of all suppliers that establish a supply relationship with CMC and the periodic monitoring of the same², as well as the activity of issuing purchase orders³.

CMC procures goods and services from suppliers on the Qualified Suppliers List.

² See Quality Manual, OP 14.

³ See Quality Manual, OP 08.

The qualification activities of the suppliers consist of an initial evaluation in order to include the new suppliers in the List of Qualified Suppliers and a periodic evaluation, which makes it possible to establish the permanence or not of the supplier within the List of Qualified Suppliers.

Since the methods of issuing purchase orders must be appropriate to the type of supply, the goods/services supplied have been divided into different categories with differentiated treatments.

The initial evaluation of suppliers aims at ascertaining their ability to meet the requirements of the supply relationship. The requirements are not arbitrary but can be technical, organisational, economic, service oriented and qualitative⁴.

The evaluation of suppliers is also subject to monitoring on the basis of the quality trend of the supplies.

To ensure maximum transparency of purchasing activities, in CMC:

- ✓ all purchase orders are authorised;
- ✓ for each supplier, a file is created containing the supplier sheet, the quotes requested, any contracts/framework agreements and all the information used for its evaluation. This documentation constitutes a record available for *audit activities*;
- ✓ there is a clear separation between the purchasing function and the entity requesting the specific supply.

3.3.3. The Public Administration

Contacts with the Public Administration, Italian or foreign, central or peripheral, are reserved for the company departments appointed by CMC.

Any form of gift to public officials or their family members that may influence the independence of judgement or induce them to secure any advantage is prohibited. This rule covers both the gifts promised and those received.

Gifts of modest value and acts of courtesy towards public officials are admissible if they cannot be interpreted or aimed at acquiring a competitive advantage in an improper manner.

CMC requires that all expenditures related to gifts to public officials be clearly and comprehensively documented.

All relations with public officials must be carried out with the utmost transparency and legality, with an explicit prohibition to communicate to the P.A. data that do not correspond to the truth, prepare and provide false documents, omit the information due.

Corrupt practices, illegitimate favours, collusive behaviour are considered unacceptable and therefore prohibited and sanctioned. Likewise, solicitations through third parties for obtaining personal and business advantages of both an economic and professional nature are prohibited.

3.3.4. Organisations, associations, events

CMC can finance organisations in Italy and abroad (associations, non-profit organisations, etc.) whose purposes are representative of widespread interests.

CMC can sponsor events related to its sector, both nationally and internationally.

The provisions of this Code regarding conflicts of interest and the documentability of expenses incurred are also valid for the financing of organisations and events.

For donations made in a personal capacity in favour of organisations, it is requested that those who

⁴ See Quality Manual, OP 14, p. 3.

have the task of representing the company (such as the Managing Director) act with the utmost transparency and compliance with current regulations.

3.3.5. Prevention of corruption between private individuals

In application of the new legislation on corruption between private individuals that has amended art. 2365 of the Italian Civil Code, CMC invites all recipients of the Code of Ethics (corporate bodies, personnel, consultants, commercial agents and commercial partners) to pay particular attention to the following

CORRUPTION INDICATORS

with the consequent duty to report them to the *Audit & Assurance* Function entrusted to a third party, to the Supervisory Body (at the dedicated address odv@cmclift.com) and to senior management to carry out the appropriate verification:

1. Cash payments.
2. Pressure exerted for payments to be made urgently or in any case earlier than expected.
3. Payments made through a Third Party that resides in another country – for example, goods and/or services provided in country “A”, but payment is made to a dummy company located in country “B”.
4. Payment of an excessively high commission to a commercial agent on two or more accounts held by the same agent in different countries.
5. Direct meetings with public or private persons not justified by normal commercial relations.
6. Unplanned or otherwise unusual decisions regarding the acceptance of purchase or sales contracts.
7. Hiring a person who does not have a level of knowledge or experience consistent with the role to be filled.
8. Abuse of decision-making or delegated powers in specific cases.
9. Signing of contracts that are not advantageous for the Company both with reference to the economic terms and with reference to the duration.
10. Unexplained or inadequately motivated preference towards certain suppliers.
11. Circumvention or attempt to circumvent controls on the purchasing process and supplier evaluation.
12. Circumvention or attempt to circumvent internal *procurement* procedures.
13. Agreements for the issuance of invoices higher than the formalised contractual terms, without adequate supporting reasons.
14. Failure to comply with company procedures and/or guidelines, with particular reference to violations of the Protocols referred to in the current Management and Control Organisation Model pursuant to art. 231/2001 and subsequent additions and amendments.

3.3.6. Whistleblowing

CMC S.r.l. has set up a *whistleblowing* system that represents a strong ethical safeguard employed to maintain high attention to the behaviours adopted both by employees and by those who operate with or for the Company.

Stakeholders are required to promptly report – in the terms and in the manner contemplated in the *Whistleblowing Policy*⁵ adopted by the Company and published in a dedicated section of the company website www.cmclift.com - any alleged or actual violations of the law, the Code of Ethics as well as the Organisation, Management and Control Model pursuant to Legislative Decree no. 231/01.

As previously reported, this includes violations committed by any employee, consultant, partner, agent or other representative acting in the name and/or on behalf of C.M.C. S.r.l.

⁵ See Annex D.1 of Model 231 adopted by C.M.C. S.r.l.

In this regard, an internal reporting channel is provided that guarantees the confidentiality of the whistleblower, the sources, information and documentation in their possession, without prejudice to legal obligations.

The reports are transmitted in written form, using the model published on the company website www.cmclift.com, orally (through a dedicated telephone line and an ad hoc messaging system) or, at the specific request of the whistleblower, through direct meetings.

No form of retaliation or discriminatory measure against the whistleblower, direct or indirect, affecting working conditions or, more generally, that may cause unfair damage, for reasons directly or indirectly related to the complaint, is allowed.

4. PROCEDURES FOR IMPLEMENTING THE CODE

4.1. Methods of Dissemination and Implementation of the Code of Ethics

The implementation of the Code of Ethics and the verification of its correct application is the responsibility of the *Audit & Assurance* function entrusted to a third party.

This Code is brought to the attention of all Recipients (internal and external) through adequate communication and training activities, aimed at promoting knowledge and understanding of the principles and ethical standards contained in this document in different ways depending on the role and responsibility of the parties involved. The Head of Human Resources is responsible for the dissemination and training process inherent in the Code of Ethics.

The *Audit & Assurance* Function, like the SB, receives reports from employees and Governance relating to any violations of the Code.

The *Audit & Assurance* Function supervises the updating processes of internal procedures that may have a significant impact on the Code of Ethics, submitting to the Board of Directors any hypothesis of improvement and adaptation of the same.

4.2. Violations of the Code of Ethics and sanctioning system

The *Audit & Assurance* Function monitors compliance with the rules contained in the Code of Ethics and reports any violations to the Board of Directors, the Managing Director and the Supervisory Body for the relevant determinations in relation to the provisions of Legislative Decree no. 231/01.

All Recipients must report to the SB any violations of the Code of Ethics by Governance and employees in writing and confidentially.

CMC ensures the anonymity of the reporting party and protects them from any and all retaliation. The Managing Director, having received the report from the SB, must verify, with the help of the latter and the Human Resources Manager, the existence of objective elements for carrying out further investigations, which will also be carried out through the analysis of documentary evidence and the hearing of the alleged offender.

The SB, having ascertained the effectiveness of the transgression on the basis of the evidence collected, proposes sanctioning measures.

However, it remains the exclusive responsibility of the Human Resources Manager to impose any sanctions proportional to the seriousness of the violation, which, in no way, may derogate from the rules contained in the workers' statute.