

Ethical Code

C I F I N G R O U P



| c i f i n

CIFIN GROUP

The Cifin Group has grown far beyond Italian borders in recent years, becoming a multinational corporation acting and competing in the global marketplace.

The Group's success has steadily strengthened thanks to the passion for excellence, innovation and reliability of our products, but also thanks to the values that have always led our actions and decisions: ethics, responsibility, transparency, trust, humility, listening, commitment, sense of belonging, collaboration and excellence.

If, however, a few decades ago, in a smaller context and a local dimension, it was easier and quicker to live and breathe the founding values of our enterprise, thanks to the day-to-day contact with the founder of the firm, today the reality of the Group is much more articulated in geographical, legislative and cultural terms.

In reason of the complexity of the situations and in reason of the economical, institutional, social and cultural contexts in which the Group operates today, we have felt the need to reconfirm our ethical vision and to clearly express our common principles, values and responsibilities by entrusting the Ethical Code the task of defining and illustrating the guidelines and moral principles that guide the behaviours of all those who work with the Group (administrators, executives, employees and associates), in the daily work and in every decision.

The Ethical Code has therefore the task of reducing the uncertainty, limiting the scope of arbitrary decisions and the subjectivity of individual behaviours. But it also has the task of providing answers to those who come into contact for different reasons with our Group, by clearly defining the set of values that Cifin recognizes, accepts and promotes, reinforcing the confidence that our stakeholders place in us. The Ethical Code helps us to understand what is expected of us as members of the Cifin Group.

So we are all invited to give concreteness, through our behaviour, to the values and the general principles that characterize the ethics of our Group, confirming the quality, integrity and seriousness of our way of operating in the world.

Valter Caiumi
Chairman & CEO
Cifin



Limidi di Soliera (MO), May 19th 2017

Photo project:
Andrea Caiumi



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TITLE I GENERAL PROVISIONS

1 INTRODUCTION

The Cifin Group (hereinafter also Group or Cifin), operating both in Italy and abroad, is a leader in technologies for the machining of aluminium, steel, light metals and PVC, through the brands Emmegi, Tekna and Elumatec.

In this field, requiring very high precision, speed of execution and high reliability, the Group manufactures machines, complete production plants and machining centres, as well as the related software, directly or through its subsidiary and associated companies in Europe, North and South America, Asia and the Middle East, by creating and adopting extremely innovative solutions, as proven also by the several Group patents.

The various Group companies are able to follow and manage the entire process of product development, starting from the need observed in the market, through the technical expertise in the light of its vast know-how, up to the best solution with the application of the most current technologies.

To support this steady research activity, the Group has long been provided with the best design and digital management tools for the product life cycle, in order to make solutions virtual and verify them before being implemented as products. The technological quality of solutions is also completed with the internal development of all the automation and control equipment: besides the design of the machine control software, in fact, the Group develops also software solutions for the design of doors and windows, automation of the customer's industrial process, as well as monitoring, collection and centralized processing of plant operating data as to improve management control.

The experience gained over the years has thus represented for the Group a basis for the research and development of

2 MISSION OF CIFIN GROUP

ever new technological solutions, through the continuous evolution of the product and the expansion into new sectors. The Group wide range of cutting and processing machines has thus been enriched over the time with handling, logistics, assembly, welding, crimping and packaging equipment, such as to represent a complete system for the production of doors, windows and curtain walls in aluminium, PVC, and light alloys. Moreover, in recent years the Group has further increased the range of its products, expanding in the field of processing, hardening and glass screen printing machines, thus ensuring its customers a more and more extensive and comprehensive choice of products and technological solutions.

Finally, in 2014 the Group incorporated Voilàp, its “digital company”, in order to follow the new possibilities offered by the digital revolution and to support not only the Group’s companies but also third-party customers to ride these new opportunities and build their digital future. Voilàp is the portal for the industry 4.0 for every industry and combines the best manufacturing know-how with the digital knowledge.

This constant innovation, combined with the exceptional quality of its products - as proven by thousands of applications made which represent a unique technical knowledge in the world, the careful choice of components and a highly advanced logistics, made Cifin Group a worldwide reference point for operators of the mentioned fields, and in particular for companies.

The mission of Cifin Group aims to create value for its members, while always respecting the legitimate interests and rights of all categories of involved parties, both internal (e.g. employees and collaborators) and external (e.g. customers, suppliers, shareholders, local communities, state and public bodies, etc.), in accordance with the practices of equity and fairness in the management of labour relationships, and the rules on worker safety, as well as in compliance with all laws and regulations applicable to the different fields of activities.

3 CONTENTS OF THE ETHICAL CODE

This Ethical Code (hereinafter also “Code”) contains the basic guidelines and moral principles, mirroring the company policy, which should inspire the conduct of directors, managers and each employee and collaborator (hereinafter also “Persons in charge”).

The Code, as drawn up following the precise will of the Group to be in line with the Italian statutory provisions set forth in Italian Legislative Decree no. 231/2001, represents an element of the completion of the fundamental “Organizational Model” (see hereinafter), which shall soon be adopted by the each company subject to Italian law.

4 FUNCTION AND DISTRIBUTION OF THE ETHICAL CODE

The Code has the basic functions of:

- defining and explaining the “guidelines” to be complied with by directors, managers, employees and consultants;
- highlighting the “moral principles” pursued by the Group in its activities.

The provisions of the Code, as amended and supplements, shall therefore be communicated to all Persons in charge working within each company.

The Group shall ensure adequate training/information accordingly and provide any explanations on the Code’s contents, as necessary.

5 REPORTS OF VIOLATIONS AND INSPECTIONS

All Persons in charge working within the Group are required to report any violations of the Code.

In case of reports of violations of the Code, first of all the protection and privacy of the reporting person shall be guaranteed and, after careful investigation, appropriate and proportionate disciplinary sanctions against the infringer shall be adopted.

The Group itself verifies autonomously the absence of violations of the Code, both at an internal level and by third parties which have business relationships with the Group, on a regular basis and through appropriate procedures.

The Cifin Group, in fact, promotes the respect of the values described in the Code also to suppliers, consultants, etc.

6 ORGANIZATIONAL MODEL: ADOPTION

For this reason, it should be noted as from now that the contractual relationships shall be terminated with any subjects who refuse to respect and share the contents of the Code.

The Group companies, aware of their role and responsibilities, aim to operate in constant compliance with current regulations and based on principles of fairness and transparency.

To this end, the Group companies subject to Italian legislation shall adopt an "Organizational Model" as appropriate to prevent the commission of crimes by its directors, managers, employees and collaborators and constantly supervise on the proper implementation thereof. Moreover, upon adopting the Organizational Model, the Italian law companies shall also:

- ensure correct information to the market and third parties in general, by means of verifiable and transparent procedures;
- adopt organizational tools designed to prevent any breaches of the law and of the principles of fairness and loyalty by their Persons in charge;
- promote fair competition, as considered an element aimed at achieving also their own interests, as well as those of customers, market operators and Persons in charge in general;
- protect and value their collaborators and employees;
- promote sustainable development, in compliance with the environment and the territory.



TITLE II

MORAL PRINCIPLES PURSUED BY THE CIFIN GROUP

7 GUIDING VALUES

The rules of conduct contained in this Ethical Code are an expression of the Principles that, over the years, have represented the "Guiding values" of the Cifin Group culture in their continuous development.

- **Ethics:** it is the principle under which:
 - the relationships between persons (the so-called stakeholders) and the company are set on the basis of honesty, respect, responsibility, and transparency, always favouring common interests rather than individual ones;
 - the business development is always combined with the respect for human being and the environment.
- **Responsibility:** it is the principle under which Cifin Group, aware of its role as "Protagonist", pursues its objectives, taking responsibility for the decisions taken and/or to be taken and their effects in a timely manner and with determination, professionalism and credibility.
- **Transparency:** it is the principle that governs the "communication" within the Group, so that it is always clear, free from misunderstandings and manipulation, and able to build loyal and deep relationships, both internal and/or external to the company.
- **Trust:** it is the value linked to the recognition of the contribution of the others.
- **Humility:** it is the ability of self-examination and to accept the dialogue, avoiding positions of abuse and arrogance.

- **Listening:** it is the ability to be close to customers, either internal or external, and to know how to meet their needs even if not explicitly expressed; listening and giving a feedback recognizing the work and contributions of the others.
- **Dedication:** it is the value under which the employees/collaborators of the Cifin Group:
 - work with passion, sharing the company's vision and the entrusted objectives, by courageously facing difficult situations to overcome its limitations and grasp their opportunities;
 - proactively operate by anticipating changes and promoting innovative solutions as to ensure competitive sustainability and business development.
- **Identity:** it is the principle that binds employees/collaborators with customers and suppliers in a single team, by sharing strategies and objectives and corporate identity common pride "to be Cifin".
- **Partnership:** it is the value under which collaborative relationships with customers and suppliers are created, with the aim to satisfy mutual needs.
- **Quality:** it is the principle as expressed in:
 - the pursuit of excellence through continuous improvement of products and skills, in compliance with the customer's expectations and any applicable regulations on product safety;
 - the day-by-day demonstration that what has been agreed is what our internal and external customers will get from us.



8 RELATIONSHIPS BETWEEN THE CIFIN GROUP AND STAKEHOLDERS

In general, the Cifin Group pursues the maximum fairness and transparency in dealing with the so-called "stakeholders", i.e. those individuals who get in contact with the Group and bear self-interests to be respected and valued.

The aforementioned definition includes for example:

- shareholders;
- managers;
- employees, collaborators and their families;
- suppliers;
- customers;
- lenders;
- the community;
- the State, etc.

While carrying out its business activities, the Group recognizes, in particular, a primary role to "people", by promoting the establishment of relationships based on mutual trust, fairness, equal opportunities and the enhancement of professionalism of each person.

The Group recognizes and protects, as a priority, the rights of workers, their health and safety in the workplace, in full and constant compliance with the regulations as applicable in each country where it operates.

In order to contribute to the development of both the Group and of the community in which it operates, the Group also enhances research, innovation and social, educational and cultural growth, and also ensures full cooperation and transparency with the public authorities, either national or international.

9 HUMAN RESOURCES AND WORKING ENVIRONMENT

The Group recognizes the fundamental importance of its employees and collaborators for the development and implementation of the company's growth.

The Human Resources are deemed as business assets and enhanced through:

- professional training courses ensuring a continuous technical/managerial training;
- professional development plans through which both the employee/collaborator's ambitions and the company's needs are met at the same time.

Equal treatment and enhancement of professional skills are ensured, whereas any discrimination is rejected.

The Group is also committed to providing a safe, healthy and productive work environment, also by spreading a

culture of safety and awareness of the risks, and encouraging responsible behaviours of all Persons in charge.

Employees and collaborators are, at the same time, required to ensure the due performance, the fulfilment of the commitments with the Group, and the compliance with the principles and values contained herein.

Each and every employee and collaborator is also directly accountable for the maintenance of the quality of the working environment towards the colleagues and the Group. Employees have the responsibility to prevent and limit situations that can adversely affect such quality.

10 CHILD LABOUR

In full compliance with the conventions drawn up by the International Labour Organization, the Group shall not, in any way and for no reason, employ people younger than the minimum age as required by the law of each country.

In order to expand and impose this conduct also to third parties, the Group systematically disrupts supply relationships with any entities that do not comply with the aforementioned provisions.

11 INFORMATION TO CLIENT/ CONSUMERS

Any information communicated to client/consumers is inspired by the respect for the utmost accuracy and clarity. The Group is committed to a communication as clear and ethical as possible, both in advertising campaigns and in the drafting of technical manuals for use or with other means of communication (including any product labels, brochures, booklets, etc.).

Any form of communication that is deceptive for customers/consumers or for the market in general is, therefore, rejected.

Also negotiations with customers must always be conducted in accordance with any principles of mutual commercial fairness and with the commitments undertaken.

12 ENVIRONMENT AND COMPATIBLE DEVELOPMENT

In carrying out its activities the Group shall adopt behaviours based on corporate social accountability, aimed at achieving a sustainable development, which is compatible with the respect for the environment.

In this way the company promotes the following, in compliance with any applicable laws and regulations:

- separate waste collection;
- energy saving through the installation of LED lamps with on/off management of lights with dimming detection probes;
- attention to the use of recyclable material;
- removal of asbestos roofs and reintegration of covers with solutions reducing heat loss;
- automatic defibrillators in the departments.

The Group also promotes and encourages similar behaviours towards all those persons with whom economic and other relationships exist.



TITLE III

GUIDELINES FOR THE PERSONS IN CHARGE

13 PROHIBITION OF ABUSE WITH COMPUTER AND TELEPHONE EQUIPMENT

Any illegal behaviours but also simple abuses of any kind made in the workplace are clearly forbidden, in particular those made by using computers and telephone equipment provided to the Persons in charge.

In general, the following is therefore forbidden:

- browsing the internet on sites not related to the relevant working activity;
- sending or receiving e-mails not having a working nature;
- using fixed and mobile business telephone equipment for personal calls, unless strictly necessary and urgent.

As to the aforementioned points, reference is made to the articulated and detailed "Internal Regulations" already distributed to all Persons in charge.

Any actual or alleged violation of laws, regulations, procedures, instructions, etc. which the Persons in charge may become aware of must be immediately reported to the Supervisory Board, if any (see hereinafter), or to the Human Resources Department, which shall then report to the Board of Directors by suggesting the measures to be adopted.

14 MANAGEMENT OF CONFLICTS OF INTEREST

If there are any situations that lead to conflicts of interest, even potential, managers, employees and collaborators must be assured that all decisions they take on behalf of the Group are aimed at the best corporate interest.

For this reason, the Persons in charge are first of all required to prevent and avoid, as far as possible, situations that may lead to conflict of interest problems.

In particular, conflict situations must be avoided between the

interests of the Group and those of personal or family nature. As to better manage these situations, should they still arise, each Person in charge is required to inform its manager or the Human Resources Department of the existence of any working activity with other persons, or the presence of any financial, commercial, professional, family or other contacts which may affect, even just in the abstract, the impartiality of its work conduct within the Group.

Moreover, the employment of spouses or relatives of employees/collaborators is not allowed, as situations of conflict with the needs of autonomy and confidentiality of the different business functions may arise.

The Human Resources Department shall verify compliance with this guideline of the Ethical Code as part of the selection process, whether in Italy or abroad.

Any violations of this guideline must be promptly reported to the Human Resources Department.

15 CONFIDENTIAL INFORMATION AND MANAGEMENT OF SENSITIVE DATA

The legislation on the prevention of any confidential information abuse must be strictly complied with by all Persons in charge. Specific and strict procedures may be imposed by the Group for the management of confidential information.

An appropriate procedure can then be applied to the definition of the information to be made public.

In general, any data and information processed by the Group must always be kept confidential by the Persons in charge.

Considering that any unauthorized disclosure could create massive financial losses and image damages to the Group, the Persons in charge may not make available information and know-how to third parties regarding technical data, new technologies, and any corporate, financial and commercial aspects without a specific authorization.

Confidentiality obligations must be complied with by managers, employees and collaborators also after the termination of their labour relationships with the Group.

16 SAFETY, HYGIENE AND HEALTH AT WORK

The Persons in charge working for companies subject to Italian legislation have the absolute prohibition of committing, collaborating with or causing the commission of acts that, individually or taken together, may even only theoretically cause the direct or indirect commission of offences under Article 25 septies (manslaughter and serious and most serious unintentional injuries committed in violation of safety regulations and of regulations on protection of hygiene and health at work), of Italian Legislative Decree no. 231/2001, or else promoting or facilitating the commission thereof. The same indications are valid and binding for all Persons in charge working for foreign law companies, in compliance with the provisions of each relevant national regulation.

The Persons in charge shall contribute to the creation and maintenance of a working environment which protects the safety of everybody, and are required to strictly comply with the regulations on safety, health and hygiene at work, including any specific internal rules and procedures as established by the persons appointed by the company for that purpose.

In particular, employees and collaborators shall:

- strictly and with the utmost care comply with any and all the laws and regulations on safety, hygiene and health protection at work, including those governing access, transit and carrying out of work activities at the premises used by the company
- attend to training and information courses on safety, hygiene and health protection at work organized by the company, which will be invited to
- properly and systematically use suitable personal protective equipment, complying with current regulations, according to the duties performed
- in carrying out work, follow the rules and instructions provided by the Prevention and Protection Service of the company
- ensure that suppliers and collaborators of the company, depending on the nature of the good or service provided, show evidence of their compliance with the regulations on safety, hygiene and health protection at work
- in case works are entrusted to companies and/or self-employed staff operating within the company, ensure, within their competence, their compliance with the procedures and

obligations under Art. 26 of Italian Legislative Decree no. 81/2008

- inform the competent corporate functions of any inefficiencies of personal protective equipment or of other devices to ensure safety.

Moreover, it is strictly forbidden to:

- remove or modify safety, signalling or control devices without authorization
- upon one's own initiative, perform acts or operations that do not fall within the competence of the individual Persons in charge, or which may compromise their own safety or that of other workers
- use machinery, equipment, tools and devices which are unsuitable or non-compliant with the laws applicable to the specific operations to be performed
- gain access to areas of work not having the necessary authorization

17 PROHIBITION OF DISCRIMINATION AND HARASSMENT

Any form of discrimination and harassment on the grounds of race, sex, religion, age, sexual orientation, disability, or other personal issues unrelated to the working activity must be excluded from the working environment.

The Group, therefore, rejects and prohibits any conduct made in order to harass an employee or a collaborator.

In the event that a Person in charge considers to have suffered some form of harassment, s/he may refer to her/his manager or the Director of Human Resources, who shall examine the situation and then refer to the senior management, also proposing the measures to be adopted.



18 CORRUPTION AND ILLICIT PAYMENTS

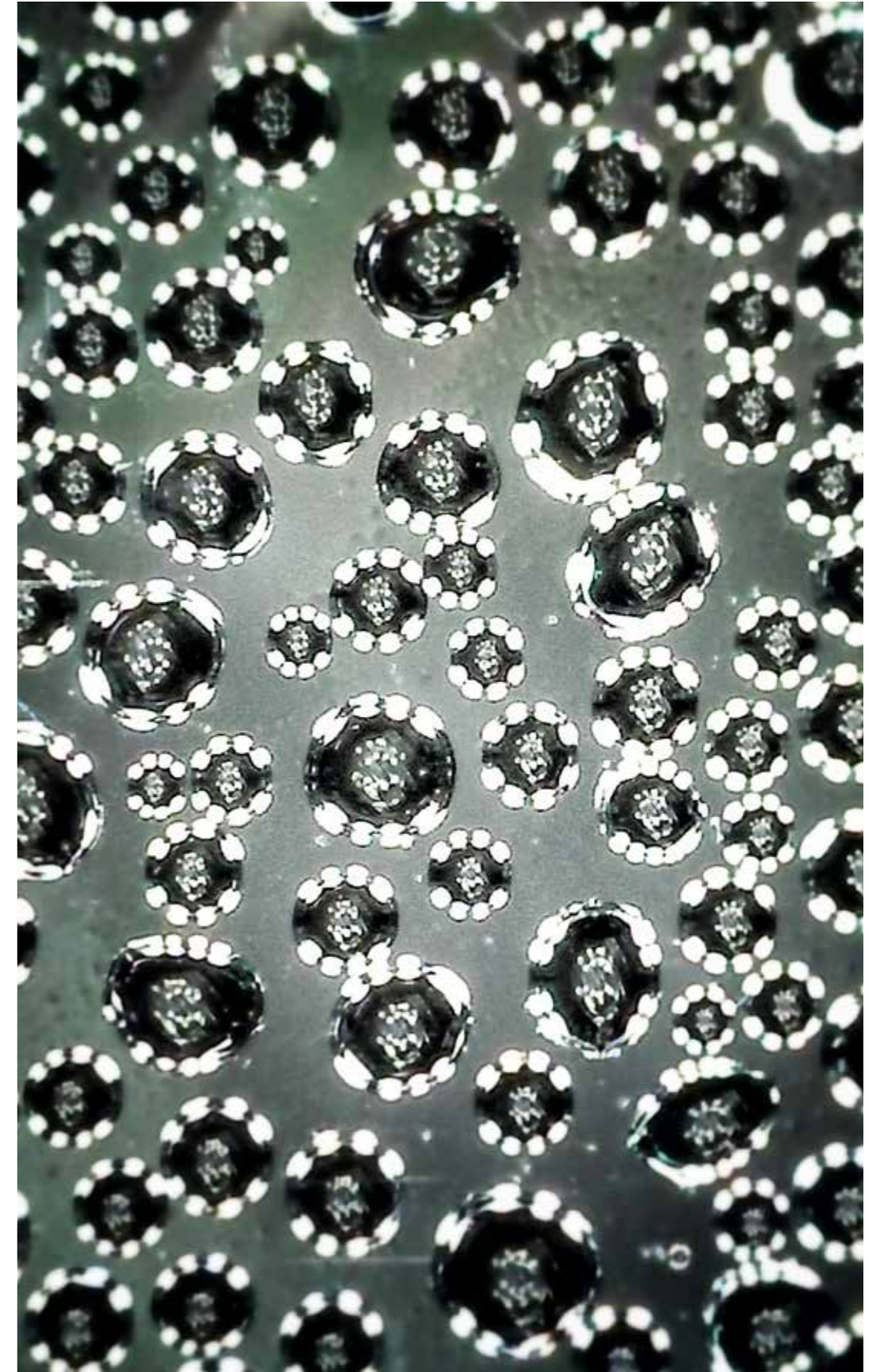
Integrity, honesty and transparency are values that must be respected by managers, by employees and collaborators of the Group in all internal and external relationships. Consequently, it is forbidden to accept, solicit, offer or pay money or other benefits (such as gifts, travels, donations, etc.), with the exception of commercial items of little value. The Group categorically prevents any kind of corruption and/or simple psychological pressure against public (or any other entity related to or connected with public officials) and private officials, in any form or manner, at any relevant jurisdiction, even in those where such behaviours are somehow allowed, tolerated or not sanctioned.

19 RELATIONSHIPS WITH SUPPLIERS

Persons in charge are required to perform a constant check on the quality, cost and adequacy of products and services offered by suppliers.

Besides these parameters, also the sharing and respect of the values described in this Code by each supplier shall be nevertheless subject to evaluation.

In general, the Persons in charge shall maintain stable, transparent and collaborative relationships with suppliers.



TITLE IV SUPERVISORY ACTIVITIES

20 SUPERVISORY BOARD AND INTERNAL CONTROL SYSTEM

The implementation and compliance with the moral principles and guidelines contained in this Code are guaranteed by an internal control system as organized and managed by a specific Supervisory Board present in each company subject to Italian law.

The Supervisory Board, consisting of three independent and autonomous members, performs extensive periodic audits and internal controls, and then reports, at least once a year, to the Board of Directors as to allow the correction of any anomalies and the prevention or interruption of any crimes.

Managers, employees and collaborators shall offer their full cooperation to the Supervisory Board as to allow it to perform its control activities at best.

In particular, the Persons in charge shall quickly respond to any questions submitted by the Supervisory Board, explaining facts and circumstances absolutely truthfully, even if this were to uncover crimes or abuses committed by colleagues.



21 VIOLATION OF THE ETHICAL CODE AND SANCTIONS

The provisions of this Code are included in the employment duties.

Any failure to comply with these provisions (and with the requirements contained in the Organizational Model that shall soon be adopted) shall be considered a violation of the obligations required by the employment contract and, therefore, be subject to disciplinary sanctions.

In case the failure to observe the provisions of the Code may result in a conduct constituting a crime, the Group shall promptly bring a complaint before the competent authorities.

Given the above, in compliance with the regulations and the collective agreements applicable in each country, the Group may impose disciplinary measures and sanctions, such as:

- verbal warning;
- written warning;
- suspension and dismissal;

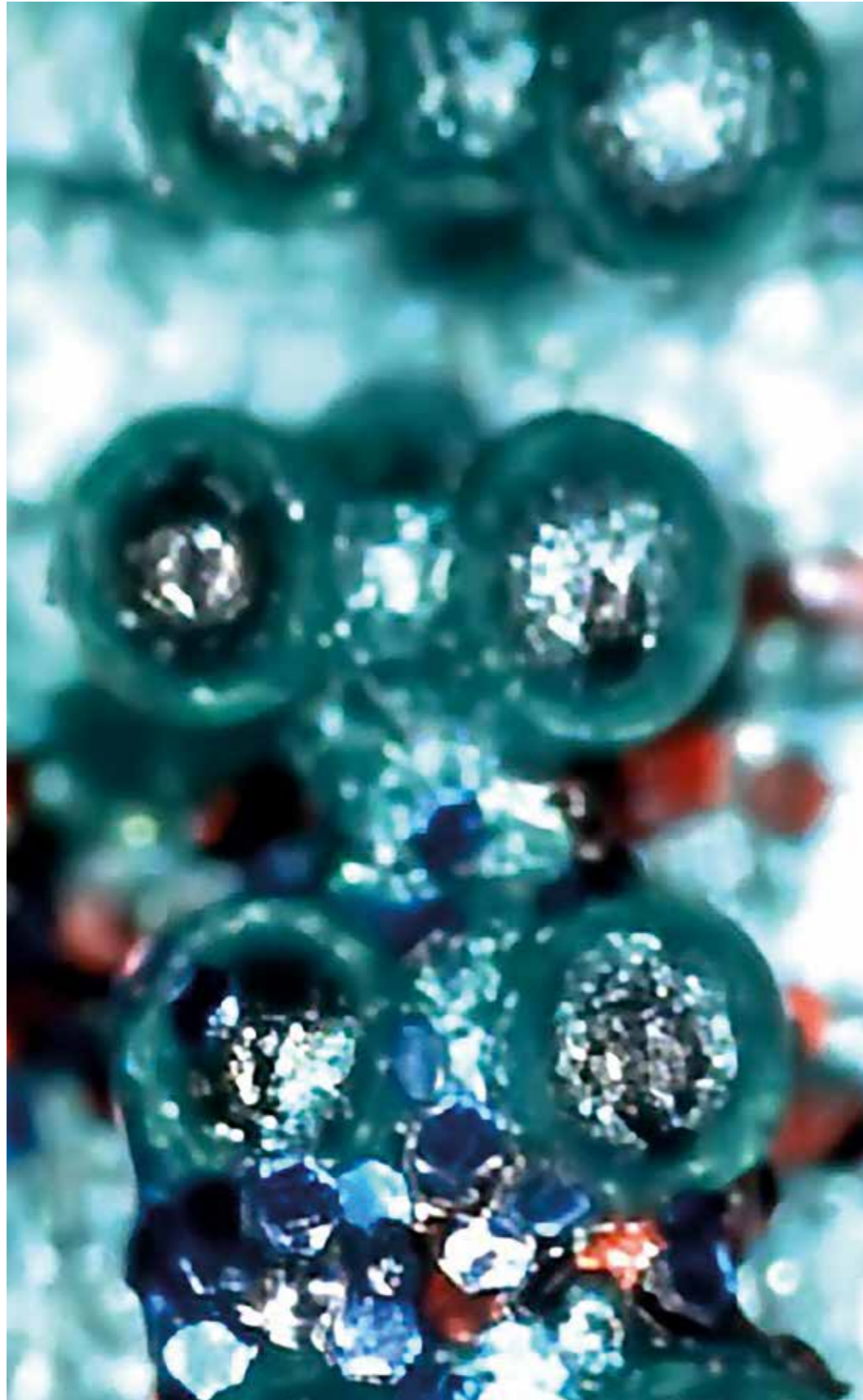
without waiting for the completion of a criminal proceeding against the employee, regardless of any criminal trial.

For the sake of clarity and by way of example only, without limitation, the behaviours that may subject to disciplinary sanctions are as follows:

- actions in violation of the moral principles and guidelines contained in the Code;
- actions in violation of any company rules referred to in this Code;
- requests made to others to violate the aforementioned moral principles, guidelines and company rules;
- failure to report actual or suspected violations of the Code and/or any regulations;
- delayed reporting of actual or suspected violations of the Code and/or any regulations;
- discriminatory attitudes against a Person in charge who has reported violations.

The provisions contained herein shall also be binding on the parties outside the Group (e.g. suppliers, representatives, etc.).

Any failure to comply with the Code by those third parties shall be considered a breach of contract and, as such, justify termination of existing contracts with the Group.



TITLE V CONCLUSIONS

22 APPROVAL AND DISTRIBUTION OF THE ETHICAL CODE

The Boards of Directors of all Cifin Group's companies fully approve this Ethical Code. Consequently, this Code shall be immediately distributed as widely as possible through:

- the publication on the company intranet
- the Internet sites of the companies
- the exposure at the staff notice board
- the delivery to the managers responsible for specific areas or departments

As from now a full copy of this Code shall be given to:

- new employees, who shall be required to sign to confirm receipt there of
- new collaborators, who shall be required to sign to confirm receipt there of
- regular suppliers and major customers, including through simple mailing or sending by e-mail.

23 UPDATES

The same distribution, through the above procedures, shall be ensured also to any update of this Code. The Persons in charge shall also receive the consequent appropriate training/information.

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