



FONTANAFREDDA COLD FORGING

CODE OF ETHICS AND CONDUCT

A man's ethical behavior should be based effectually on sympathy, education, and social ties and needs; no religious basis is necessary. Man would indeed be in a poor way if he had to be restrained by fear of punishment and hopes of reward after death.

(Albert Einstein)

INTRODUCTION

The communities we work in are influenced by our conduct as employees and collaborators of FCF, and benefit from it when we act properly. However, it is not always easy to understand what is the best choice and how to act in the right way: that is why we need guidelines.

In FCF the Code of Ethics and Conduct must represent the way to develop a working environment that incorporates high ethical standards of conduct.

Our honesty-based values are at the core of FCF's corporate governance and include a fundamental system of Principles, Standards and Procedures that combines our business experience with legal requirements, best practice research, and confrontation on ethical and regulatory compliance issues. The Code aims to ensure that all FCF members act with utmost integrity, respecting existing laws, building a better future for our Society and the communities in which we operate. FCF shares and adopts the principles of the United Nations ("UN") Universal Declaration of Human Rights, the International Labour Organization ("ILO") Conventions and the Guidelines of the Organization for Economic Co-operation and Development ("OECD").

The Code is approved by the Board of Directors.

No document can reasonably consider all the facts that may arise in carrying out one's own work. The Code therefore orientates to the correct behavior by reporting the cases where additional assistance is required. Neither the Code, nor any Principle, Standard or Procedure are intended to constitute or actually constitute a contractual right that may be used against FCF by any employee and collaborator, shareholder, customer and supplier. The guidelines in the Code help us understand what is expected from us, as FCF staff, and make sure that we are acting with awareness and integrity. The term "personal" means the whole of the people who work for FCF or for it: employees, managers and collaborators on a different basis (eg continuous or occasional collaborators, professionals and the like).

The Code expresses the ethical commitments and responsibilities of those who, in various ways, collaborate in achieving the goals of the Body in respect of: capital holders, employees, collaborators, external consultants, suppliers, customers and other persons as bearers of interests related to the activity of the Entity.

Particular attention is required from the ruling class (firstly Administrators), as well as Managers (according to the different hierarchies), all of whom have the task of monitoring the functioning of the code and taking care of its updating: those subjects are called upon to ensure that the principles adopted are constantly applied and maintain a behavior that is an example to employees and collaborators.

The code is made available to customers, suppliers, and other third parties who interact with FCF; In particular, it is brought to knowledge (including via computer systems or Web site) of third parties, who receive assignments from the Body or who have a durable relationship with it, inviting them to respect its principles and standards of conduct within the relationship that they have with the Body itself, even with any statement of their responsibility.

In addition, in the same way or with direct handover, the code is made known to all Personnel.

1. Principles of behavior for the organization

The following principles are considered fundamental, so FCF commits itself to respecting them towards anyone and requires that these principles are respected by all subjects, both internal and external, who have relationships of any nature with the Body.

Compliance with laws and regulations

FCF operates in compliance with the law and works to ensure that all Personnel act in this sense: people must behave in accordance with the law, whatever the context and the activities carried out. This commitment must also apply to consultants, suppliers, customers, and anyone who is in contact with the company.

Integrity of behavior

FCF is committed to providing quality products and services and competing on the market in accordance with principles of fair and free competition and transparency while maintaining honest relations with public institutions, citizenship and third parties.

Discrimination

In decisions affecting relationships with its Stakeholders (Customer choice, relationship with capital owners, staff management and work organization, selection and management of Suppliers, relations with the surrounding community and the institutions representing it), FCF avoids any discrimination based on age, sex, sexuality, health, ethnicity, nationality, political opinions, and religious beliefs of its interlocutors.

The same criterion is used in the choice of recruitment or relationship with the staff.

Enhancement of human resources

FCF recognizes that human resources are a key factor for its development, therefore it ensures a safe working environment that facilitates job fulfilment and enhances the professional aptitudes of everyone. The work environment, that aims to respect, fairness, and collaboration, must enable people to be involved and empowered, with regard to the specific goals to be achieved and how to pursue them.

Human resources management is based on respect for the personality and professionalism of each person, guaranteeing their dignity and respect.

The Body refuses any form of forced or under-age labour in violation of the law and does not tolerate human rights violations.

Equity of authority

In relationships with hierarchical bonds, the Body undertakes to ensure that any form of abuse is avoided.

FCF will avoid abuse of dominant position.

The above values must in any case be safeguarded also in choices regarding the organization of work.

Protection of health, safety and environment

FCF intends to conduct its business in an environmentally sound manner by creating a culture of sustainability that requires effective risk management, a responsible, proactive and innovative decision-making capability. Our efforts minimize negative impacts on natural resources and the global environment. In particular, FCF considers that protecting the environment is a decisive aspect to be promoted in the overall approach to business. FCF is committed to constantly improving the environmental performance of its activities and complying with the provisions of the laws and regulations in force.

Honest Conduct and Ethics

All actions, transactions and negotiations and, in general, the behavior of the addressees of this Code in carrying out their work must be inspired by principles of honesty, fairness, integrity, transparency, legitimacy, clarity and mutual respect. Addressees must be aware of the ethical significance of their actions by not pursuing personal or business gains to the detriment of existing laws and the content of this Code of Ethics, or even carrying out actions that, according to the common sense of conscience, are at odds with the principle of honesty.

Fairness in contractual framework

Contracts and job assignments must be carried out as consciously established by the parties: FCF undertakes to not exploit the conditions of ignorance or incapacity of its counterparts.

In addition, it should be avoided that anyone who works in the name and on behalf of FCF tries to take advantage of contractual gaps or unforeseen events to renegotiate the contract for the sole purpose of exploiting the position of dependence or weakness in which the interlocutor could find itself.

Protection of competition

FCF intends to protect the value of fair competition by refraining from collusive, predatory, and relating to abuse of position behavior. Therefore, all subjects who in different ways cooperate with FCF will not be able to participate in agreements contrary to the rules governing free competition between companies.

Enhancement of Company's investment

FCF works to ensure that the results, also economic/financial, are such as to enhance the capital holder's investment.

Transparency and completeness of information

FCF is required to provide complete, transparent, comprehensible and accurate information so that, when setting up business relationships, stakeholders are able to make decisions that are autonomous and aware of involved interests, alternatives and significant consequences.

In particular, in the formulation of any contract, the Body shall endeavor to specify the terms thereof in a clear and comprehensible manner.

Protection of personal data

FCF collects and handles personal data of Customers, Shareholders, Collaborators, Employees and other Persons, both physical and legal, even sensitive data as those that reveal health status or trade-union choices.

FCF undertakes to handle such data within the limits and in accordance with the provisions of the applicable privacy laws, in particular with DLgs 196/2003 ("Privacy Code") and its annexes, as well as the requirements of the Guarantor for Protection Of personal data.

FCF employees who deal with sensitive and non-sensitive data in the workplace must always comply with the above-mentioned regulations and operating instructions received.

Compliance with the principles and rules of this Code of Ethics

Compliance with the principles and rules of the Code of Ethics must be considered as an essential part of the Employee's contractual obligations under and for the purposes of Article 2104 of the Italian Civil Code. Violations of the Code of Ethics may constitute a default of the primary obligations of the employment relationship or disciplinary offense, subject to the procedures provided for in art. 7 of the Employers' Statute, with any consequence of the Law, also in relation to the retention of the employment relationship, and may result in compensation for the damage resulting from them.

Compliance with the Code of Ethics must be considered as an essential part of the contractual obligations assumed by non-subordinate Collaborators and/or Affiliates with FCF.

Violation of the Code of Ethics may constitute a breach of contractual obligations, with any consequence of the Law, also in relation to termination of the contract and/or assignment and may result in compensation for the damage resulting from it. Violations from members of the Board of Directors and from Auditors apply to all laws, with consequent remedies and sanctions.

Handling of information

Information on counterparties is handled by FCF taking into account respect for confidentiality of the parties concerned.

2. Principles of behavior to be followed by staff

The Personnel (Administrators, Employees and Collaborators) in the behavior to be held towards FCF must observe the following principles:

Professionalism

Each person carries out their work and performance with diligence, efficiency and correctness, making the best use of tools and time at their disposal and taking responsibility for the fulfillment of their duties.

Loyalty and honesty

People are required to be loyal to the Society.

In the course of their work, people are required to know and respect the company regulations and the applicable laws with diligence. In no case may the pursuit of FCF's interest justify an unfair or non-compliant conduct.

Fairness

People do not use for personal purposes - except in the authorized limits - the information, goods and equipment they have at disposal in carrying out their assigned function or assignments.

Each person does not accept or perform, for themselves or others, pressures, recommendations or warnings that may harm FCF or bring undue benefits for themselves, FCF or third parties; each person rejects and does not make promises of undue offers of money or other benefits.

Confidentiality

People provide the utmost privacy with regard to news and information that constitute the company's assets, company know-how or inherent in the company's general business, in compliance with legal provisions, current regulations and internal procedures.

In addition, people are required to not use confidential information for purposes that are not related to the exercise of their business.

Conflicts of interest

People will inform without delay their superiors or handlers of situations or activities where they may be interests in conflict with FCF, direct or indirect, and in any other case where significant reasons of convenience exist.

People respect the decisions taken from FCF on this point.

3. Terms of conduct

3.1. Relationships with staff

Staff selection

The valuation of the staff to be recruited is carried out on the basis of the correspondence of the candidates' profiles compared to the expectations and the business needs, with respect for equal opportunities for all concerned parties and in compliance with the applicable regulations (in particular Articles 4 and 8 Law 300/70).

The required information is closely linked to the verification of the aspects of the professional, psychological and aptitude profile, with respect for the private sphere and the opinions of the candidate.

The function of the staff adopts, in the selection process, appropriate measures in order to avoid favouritism and facilitation.

Evaluations and judgments will be kept confidential in compliance with current regulations.

Establishment of the employment relationship

The staff is hired with a regular contract of employment or collaboration. No form of irregular work is tolerated.

When establishing the employment relationship, the person receives detailed information about:

- features of the function and tasks to be performed
- regulatory and remunerative elements
- the rules and procedures to be taken to avoid possible health risks associated with working life.

Such information is presented to the person in such a manner that acceptance of the assignment is based on an effective understanding of its content.

Personnel management

FCF is committed to protecting the moral integrity and dignity of people, guaranteeing the right to working conditions respectful of their dignity. Everyone must be treated with the same respect and dignity and is entitled to the same opportunities of professional development and career.

FCF avoids any form of discrimination towards its staff.

Access to roles and assignments is based on skills and capabilities; in addition, depending on the overall work efficiency, are favoured forms of flexibility in work organization that facilitate maternity

people, as well as those who have to take care of their children or any other uncomfortable situation, organizational and work needs permitting.

Integrity and protection of the person

FCF protects workers from acts of psychological violence, stalking, mobbing, and opposes any discriminatory attitude or behaviour.

The achievement of individual goals must be equally evaluated by establishing clearly stated criteria, to be used to evaluate people's capabilities and their contribution; the results achieved must be adequately recognized.

All people, in the context of their activities and relationships, are required to comply with these principles and to cooperate with FCF for their protection. Any report of discriminatory acts must be immediately reported to the managers or the referents, without fear of any retaliation.

A person who believes that he or she has been subject to harassment or has been discriminated for reasons related to age, sexuality, ethnic group, health, nationality, political opinion, religious beliefs or the like, can report the incident, as well as to his/her referents, also to the Supervisory Body.

FCF does not tolerate any act of discrimination or harassment: people who commit such acts will incur disciplinary sanctions that may even reach dismissal.

Disparities are not considered as discrimination if justified or justifiable on the basis of objective criteria. Different pay or level in relation to similar duties will not be considered as discrimination.

Diffusion of personnel policies

Personnel management and activity organization policies are made available to all people through corporate tools (e-mail, organizational documents and communications by managers, including verbally).

Enhancement and training of resources

Managers fully utilize and enhance all of people's professional skills in the structure by activating available resources to foster people's development and growth: for example, teaming up with experienced staff, experiences targeted to cover more senior positions, training courses.

Institutional training is provided at certain times in the company's business life (for example, for newly recruited employees), as well as recurrent training for operational personnel, particularly in specific subjects, also according to statutory provisions.

Management of people's working time

Each manager is required to enhance people's work time, requiring performances consistent with the exercise of their duties and with work organization plans.

It constitutes abuse of the authority's position to demand, as an act due to one's hierarchical superior, services, personal favors or any behavior that constitutes a violation of this code of ethics.

People involvement

Personnel involvement regarding work is assured; are also envisaged moments of participation in discussions and decisions, functional to the achievement of business goals.

Intervention on the organization of work

In the case of job reorganization, the value of human resources is safeguarded. FCF complies with the following criteria:

- the burden of reorganizing work should be distributed as evenly as possible among all people, consistently with effective and efficient exercise of the activity
- In the case of new or unforeseen events, which in any case must be made explicit, one person may be assigned different positions than those previously performed, making sure to safeguard his or her professional skills as far as possible and in compliance with current regulations.

Safety and health

FCF is committed to providing a work environment suitable for protecting the health and safety of its staff.

All people must comply with the internal rules and procedures for the prevention of risks and health and safety protection, and report promptly any deficiency or non-compliance with applicable standards.

In particular, FCF provides information and training, including on the basis of legal provisions, in particular on the behavior to be taken in the field of hygiene and safety at work, in order to avoid dangers, to assess them, to combat the risks at source.

In addition, the Company is committed to carrying out specific assessments, in particular as regards the concept of jobs and the choice of work equipment and working and production methods, taking into account the degree of evolution of technology and giving priority to collective protection measures compared to individual protection measures.

In addition, security policy involves proper programming of prevention, including through instructions, training and collaborators' training.

Privacy protection

In handling the personal data of its staff, the Body complies with the provisions contained in Dlg 196/2003.

Information is provided to individuals on the protection of personal data, which identifies: the purpose and method of treatment, possible entities to whom data is communicated and information necessary to exercise the right of access referred to in Article 13 of Legislative Decree 196 / 2003.

In cases where legislation requires it, people are asked to consent to the processing of their personal data.

Is excluded any inquiry (not covered by current regulations) on ideas, preferences, personal tastes and, in general, the privacy of employees and collaborators.

3.2. Staff duties

People must act honestly in order to comply with their obligations under the employment contract and the provisions of the code of ethics, ensuring the required performance.

Information management

People need to know and put into effect what is required by corporate policies, in the area of information security, to ensure their integrity, confidentiality and availability. They are required to process their documents using clear, objective and exhaustive language, allowing any verification by colleagues, managers or external entities authorized to apply.

Confidentiality of company information

Company information and know-how must be protected with the utmost privacy. The most significant data that FCF will acquire or create in the course of its business will be considered confidential information and subject to appropriate attention: this includes information gained from and pertaining to third parties (customers, professional contacts, professional partners, employees, etc.).

If it is necessary to deal with relevant, confidential or economic matters, it is important to make sure that the counterparty signs a confidentiality commitment prepared in accordance with company standards or, alternatively, to take the necessary measures according to the nature of the elements concerned.

Both during and after the dissolution of the employment relationship with FCF, people will be able to use confidential data in their possession exclusively in the interest of FCF and never for their own or third parties benefit.

Confidential information about third parties

FCF staff will have to refrain from using illicit means to gain confidential information about companies and third parties. Those who, in the context of a contractual relationship, become aware of confidential information about other subjects will be required to make the use intended by the concerned relationship only.

Confidential information

Except for cases of need, related to the normal conduct of FCF's activities and/or third-party companies, people will refrain from obtaining data whose use may configure the offense of abuse of confidential information.

People who become aware of such data during their work are required to not disclose such data to third parties, unless they have a need to dispose of it for the fulfillment of their duties.

Conflict of interest

FCF staff, at any level, is required to avoid situations where conflicts of interest, even just potential ones, may arise, and to refrain from personally taking advantage of business opportunities of which they have come to know during the course of carrying out their own functions.

By way of example, the following situations may result in an actual or potential conflict of interests:

- working on one's own activity in competition with those of FCF or collaborating, in any way, even indirectly, with family activities resulting in competition with FCF
- perform a key function (CEO, Adviser, Functional Manager) and at the same time have economic interests, directly or indirectly, through one's own family members, with suppliers, customers or competitors (possession of shares, professional assignments, etc.)
- deal with suppliers and at the same time be employed at the suppliers themselves
- accept money or favors from people or businesses who are or intend to enter into business relationships with the Body.

In the event that even just the appearance of a conflict of interest occurs, the person is required to inform his/her referent.

The person is also required to provide information about activities performed outside the working environment, in the event these may appear to conflict with interests of FCF.

Illicit remunerations, gifts, representation expenses

FCF staff is prohibited from accepting or receiving any gift, reward or other bonus that can be interpreted as exceeding normal business or courtesy practice.

Only gifts or acts of courtesy of a modest value (150 €) and compliant with normal business practices may be accepted from Suppliers, Customers or other elements with whom a professional or business relationship is in progress or with whom negotiations are in progress.

In particular, people should not accept gifts and services that may affect the actions to be taken while performing their job duties.

The above can not be avoided by using third parties.

FCF staff who receive gifts or benefits other than those that fall within the permitted circumstances is required to notify the referents, in order to take the necessary actions, also concerning communications to third parties about company policy.

Use of company assets

Everyone is required to work diligently to protect business assets, through responsible behavior and in line with operational procedures designed to regulate their use, accurately documenting their application. In particular, each person must:

- use scrupulously the assets entrusted to him/her
- Avoid improper use of business assets
- adequately safeguard the resources entrusted to him/her

As far as computer applications and telephone systems are concerned, each person is required to:

- adopt the provisions of corporate security policies in order not to prejudice the functionality and protection of IT systems
- refrain from sending minatory or offensive emails or from using low-level language or by expressing inappropriate comments that may be offensive to people and/or harm the corporate image
- use the tools according to corporate regulations

FCF reserves the right to prevent distorted use of its own assets and infrastructure through the use of computer systems, audits, financial control and analysis and risk prevention, while respecting the provisions of the applicable laws.

Participation in anti-social and criminal activities

FCF prohibits money laundering or any activity that facilitates money laundering or the financing of terrorist activities or other criminal activities. FCF and its managers or employees, before establishing business relationships with a third party, must check available information (including financial information) about potential business counterparts and suppliers in order to ascertain their respectability and the legitimacy of their business. FCF must always comply with all applicable laws and anti-money laundering laws.

3.3. Relations with customers

Impartiality

The Body undertakes to not arbitrarily discriminate against its customers, while respecting their corporate decisions.

Contracts and communications to customers

Contracts and communications to FCF customers must be:

- clear and simple
- complying with current regulations, so as not to set up elusive or anyway inaccurate practices
- complete, so as not to neglect any element that is relevant to the client's decision.

Personnel behavior style towards customers

The style of behavior of the people of the Company towards the clientele must be based on helpfulness, respect and courtesy, with the aim of a collaborative and highly professional relationship, at all levels.

3.4. Relations with suppliers

Choice of supplier

Purchasing processes are geared towards seeking maximum benefit for FCF, towards providing equal opportunities to suppliers, towards loyalty and impartiality: supplier selection and purchase conditions are based on an objective assessment of quality and price of the good or service, as well as of guarantees of assistance and of timeliness.

In any case FCF reserves the right to require suppliers to certify the following requirements:

- Duly documented availability of means, including financial, organizational structures, capabilities and design resources, know-how, etc.
- Existence and effective implementation, in cases where the Body's specifications expect them, of adequate corporate quality systems
- any certification contemplated by law or regulation.

Integrity and independence in relationships

Relations with suppliers, including those relating to financial and consultancy contracts, are subject to periodic monitoring by FCF.

The stipulation of a contract with a supplier must always be based on clarity, avoiding, where possible, forms of dependency.

Documents exchanged with suppliers must be stored appropriately: in particular, bookkeeping items must be kept for the periods set by the applicable law.

Protecting the ethical aspects in supplies

In order to conform to the procurement activity to the ethical principles adopted, FCF is committed to introducing, for particular supplies, social requirements: for example, the presence of an environmental management system or a workers protection system.

To that end, contractual terms may be included in the contracts with the suppliers, which include:

- a self-certification or declaration by the supplier regarding the adherence to specific social obligations: for example, the adoption of measures that guarantee workers the respect of fundamental rights, the principles of equal treatment and non-discrimination, the protection of child labor or the respect of quality standards of the product or service
- the possibility for FCF to adopt control measures at the production units or operating locations of the supplier company, in order to verify that these requirements have been met.

Dominant position

FCF undertakes to not abuse, outside normal business relationships, any dominant positions.

3.5. Relations with Shareholders

Accounting transparency

In order to ensure the transparency and completeness of the accounting information, it is necessary that documentation of the facts to be reported into accounting in support of the registration is clear, complete, correct and archived for any verification. The associated registration must reflect what is described in the supporting documentation and must specify the criteria used in determining economic elements, based on evaluations.

In any case, the Corporate Organs are required to prepare with precision and to promptly spread the necessary support material to enable Shareholders to make informed decisions.

Protection of social assets

The resources available must be used, in compliance with applicable laws, the statutes and the code, to increase and strengthen the social assets, to protect FCF itself, Shareholders, creditors and the market.

However, in order to guarantee the integrity of the capital is prohibited, except in the cases in which the law expressly permits it, to return, in whatever form, the contributions or to free the members from the obligation to execute them, to distribute profits not actually earned or destined by law in reserve.

3.6. Relations with Public Administrations

By the term Public Administration is herewith meant any person, subject, interlocutor qualifiable as Public Officer or in charge of public service, acting on behalf of the Public Administration, central or peripheral, or of public oversight authorities, independent authorities, community institutions, as well as private entities concessionaires of a public service.

Fairness and loyalty

FCF intends to conduct relations with the Public Administration with the utmost transparency and ethics of conduct: such relations, which must be in compliance with current legislation, are based on the general principles of fairness and loyalty, so as not to prejudice the integrity of both parts.

The personnel must refrain from any behavior that may undermine the impartiality and autonomy of judgment of the Public Administration.

Gifts, bonuses and benefits

No FCF employee can donate money, or offer economic benefits or other benefits to Public Administration with the purpose of gaining personal benefits or benefits for FCF.

FCF may, if it deems it appropriate, support programs of public bodies aimed at achieving utility and benefits for the community as well as the activities of foundations and associations, always in compliance with the applicable regulations and the principles of this code.

In the event that FCF wishes to make donations in money, equipment or goods, the procedures prescribed by law must be respected.

3.7 Relations with the community

Economic Relations with Parties, Trade-union Organizations and Associations

FCF does not finance political parties both in Italy and abroad, their representatives or candidates, nor does it sponsorship congresses or parties that have an exclusive purpose of purely political propaganda.

FCF strictly refrains from submitting to any direct or indirect pressure from political representatives: for example, it does not accept recruitment recommendations nor does it enter into consultative contracts with similar purposes.

FCF does not provide contributions to organizations with which conflicts of interest (e.g. trade-unions) may arise. However, it is possible to co-operate, even financially, with such organizations for specific projects, subject to the following conditions:

- Clear and documented resource allocation
- express authorization by the relevant departments, within the company.

Contributions and sponsorships

FCF may accept requests for contributions only limited to proposals from statutory non-profit organizations and associations, with regular statutes and constitutive acts, that are of sporting, cultural or charitable value or involving a large number of citizens.

Sponsorships that may involve social, environmental, sports, entertainment and art themes are permissible.

In selecting the proposals to join, FCF pays particular attention to any possible personal or corporate conflict of interests: for example, relationships of kinship with the concerned parties or links with organizations that may, for the tasks they carry, favor somehow business activity.

3.8 Diffusion of information

External communication

FCF's communication to the bearers of interest mentioned above is based on respect for the right to information; under no circumstance is it permitted to disclose false or tendentious news or comments.

Every communication activity complies with the laws, rules, and practices of professional conduct and is carried out with clarity, transparency and timeliness, safeguarding among the others the information that affects the market and the industrial secrets.

Any form of pressure or acquisition of favorable attitudes by the media is banned.

To ensure the completeness and consistency of information, FCF relations with the mass media are reserved exclusively for the relevant functions.

Control on confidential information

Particular caution must be taken in external communications of documents, data or information about non-public corporate facts that are likely to affect the activity of FCF, if made public. The communication of such information must be previously authorized by the Directors or by the responsible people.

Under no circumstances in the management of information should be adopted behaviors that may favor phenomena that may lead to the depletion of the corporate assets or to cause undue benefits, personal or to third parties.

4. Application mechanisms of the code of ethics

4.1 Diffusion and communication

FCF is committed to spreading the Code of Ethics, using all means of communication and opportunities available such as, for example, the corporate website, specific communications (pertinent to information technology, too), information gatherings and staff training.

All interested people must be able to access the Code of Ethics, know the contents and observe the provisions of the Code.

In order to ensure the correct understanding of the code, a set of information is provided by the relevant departments, aiming to promote knowledge of the principles and ethical standards with appropriate training or informational moments, whenever the need arises.

4.2 Internal control system

Compliance with the requirements of this Code is entrusted to the prudent, reasonable and careful supervision of each of the Recipients, in the context of their respective roles and functions within the company.

All Recipients are encouraged to report to their direct superior facts and circumstances potentially in conflict with the principles and prescriptions of this Code.

FCF's *management* (CdA) will take all necessary steps to end the violations, by resorting to any disciplinary action in accordance with the law and the rights of workers, including trade-union rights.

4.3 Sanctioning system guidelines

The internal control system is geared towards adopting tools and methodologies to counter potential business risks, in order to ensure not only compliance with laws but also internal rules and procedures.

As a matter of fact, the violation of the principles contained in the Code and in the procedures set out in internal controls compromises the trust relationship between the Company and its directors, employees, consultants, various collaborators, customers, suppliers, commercial and financial partners.

Such breaches will be immediately pursued by FCF in an incisive and timely manner through the adoption of appropriate and proportionate disciplinary measures.

The effects of violations of the Code of Ethics and internal protocols must be taken into account by all those who, in any way, have contact with FCF. Depending on the severity of the behavior of the person involved in any of the illegal activities covered by the Code, FCF will promptly take appropriate action, independently from any possible prosecution by the judicial authority.

Subject to the provisions set out above, behaviors in violation of the Code of Ethics are:

- Serious default for employees (workers, employees, executives and managers), with sanctions, applied depending on the severity, provided for by the professional collective bargaining agreement (CBA) (verbal reprimand, written reprimand, fine up to three hours of remuneration, suspension from work and remuneration up to a maximum of three working days, lawful dismissal for misconduct or any justified reason); in the case of pending suit of a criminal prosecution or enforcement of a measure restricting personal liberty taken against an employee, before taking the disciplinary measure the sanction of suspension from service and remuneration may be adopted, for the duration corresponding to the outcome of the criminal prosecution or until the end of the personal freedom restrictive measure;
- justified reason for termination of the directors' mandate;
- reason of immediate termination of the working relationship, in the most serious cases, for external and parasubordinated collaborators;
- reason of immediate termination of the working relationship, in the most serious cases, for suppliers, contractors and subcontractors.

The identification and application of sanctions will always take into account the general principles of proportionality and adequacy with respect to the disputed breach.
In all of these hypotheses, FCF reserves the right to exercise all the actions it deems appropriate for the compensation of the damage suffered as a result of the behavior in violation of the Code of Ethics.

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