



ORGANISATION, MANAGEMENT, AND CONTROL MODEL PURSUANT TO LAW DECREE 231/2001

ETHICAL CODE

Approved by the Sole Administrator with decision dated 06/02/2017



CONTENTS

1. COMPANY MISSION3

2. FIELD OF APPLICATION4

3. RECIPIENTS AND STRUCTURE OF THE CODE OF ETHICS.....4

4. ETHICAL PRINCIPLES OF REFERENCE5

 4.1 COMPLIANCE WITH THE LAW.....5

 4.2 HONESTY, FAIRNESS5

 4.3 PROTECTION OF INDIVIDUALS.....5

 4.4 TRANSPARENCY IN THE CONDUCT OF BUSINESS AND PROTECTION OF SHAREHOLDERS.....6

 4.5 PROTECTION OF COMPETITION6

 4.6 QUALITY OF PRODUCTS.....6

 4.7 CONFIDENTIALITY7

 4.8 EFFECTIVENESS AND EFFICIENCY.....7

 4.9 PROTECTION OF COMPANY RESOURCES.....7

 4.10 PROTECTION OF SAFETY AND HEALTH7

 4.11 PROTECTION OF THE ENVIRONMENT8

5. STANDARDS OF CONDUCT8

 5.1 RELATIONS WITH CUSTOMERS.....8

 5.2 RELATIONSHIPS WITH SUPPLIERS.....9

 5.3 RELATIONSHIP WITH SHAREHOLDERS..... 10

 5.4 RELATIONSHIPS WITH THE STAFF 11

 5.5 RELATIONSHIP WITH THE PUBLIC ADMINISTRATION..... 13

6. APPLICATION MODE FOR THE CODE OF ETHICS..... 13

 6.1 INFORMATION AND TRAINING 13

 6.2 SUPERVISORY BODY (SB) 13

 6.3 REPORTS BY INVOLVED PARTIES 14



6.4	VIOLATIONS AND PENALTIES.....	15
-----	-------------------------------	----

FOREWORD

FMI is an Italian production company, established in the 90s and located between Bergamo and Brescia, in the territory in which the most important technologies for the processing of PTFE, graphite and many special materials were perfected.

Today FMI Spa is a medium-sized company, specialised in the transformation of PTFE, graphite, and all main asbestos-free materials, used for the production of plates, seals and semi-finished products with high technical value.

The current corporate organisation is the result of a gradual transformation that took place over the years and that has shifted the company from a mainly resale activity to the engineering of proprietary processes for transformation and production. Production is characterised by a high technical content and by some innovative solutions, protected by international patents.

Over the years, the company has tried to meet the demands of customers; this attitude has led to making solid agreements with the producers of the best available solutions. As a result, FMI is now able to offer a vast catalogue of products, all of high quality and guaranteed by the FMI.

1. COMPANY MISSION

Hereunder is the company mission:

ACCURACY: certain corporate procedures ensure an adequate flow of information and of work to ensure the best results;

RELIABILITY: maintaining the stated requirements, quality of materials and services;

INNOVATION: an internal research centre, in partnership with prestigious international universities, develops new materials and proprietary production processes;

PROFESSIONALISM: every employee is focused to provide the best answers and support to customers through a constant technical training.

LOYALTY: transparent relationships, towards distributors and trading partners, in the management of the assigned territories.

CONTINUITY: the products are made using the best raw materials, to ensure the maintenance of the quality level over time.

2. FIELD OF APPLICATION

This Code of Ethics is an integral part of the Organisation Management and Control Model established pursuant to Decree law 231/2001 that sets down the rules governing the administrative liability of legal persons.

The Code of Ethics sets down the principles and rules of conduct that will be considered binding for the recipients. The document is to be considered as “charter of values” through which FMI Spa sets out its ethical and social responsibility and commitments towards stakeholders.

The Code of Ethics was approved by the Company's Board of Directors with the adoption of the Management and Control Organisation Model.

Checking the status of compliance and implementation with the Code of Ethics is the responsibility of the Supervisory Board (SB) appointed by the Board of Directors pursuant to the abovementioned Law Decree 231/01.

The Code of Ethics is placed to the attention of all internal and external stakeholders of the company through specific information and training activities.

3. RECIPIENTS AND STRUCTURE OF THE CODE OF ETHICS

The provisions and principles outlined in the Code of Ethics apply to the following recipients:

- shareholders, directors, auditors;
- employees with any type of agreement;
- third parties that have, for whatever reason, relationships and related to FMI spa, such as contractors, consultants, agents, attorneys, suppliers, business partners, etc.

Third parties are therefore obliged, by means of specific contractual provisions, to comply with the provisions included in the Code of Ethics, within the limits of its powers and responsibilities.

The company promotes the sharing and spreading of the values and principles included in the Code of Ethics and requires the maintenance of a conduct in line with these principles by the recipients.

The Code of Ethics, each within its responsibilities, according to the principles of a healthy and prudent management and compliant with national and EU laws, as well as policies, plans, regulations, and internal procedures, should contribute to the corporate mission; they should, in particular, deal with minimising production risks and costs; safeguarding corporate activities when proposing investments, implementing projects and taking part in any decision or action that conditions the company's management; the directors should follow the same principles in implementing the will of the heads. Those who occupy positions of responsibility are held to be an example for their employees and guide them to complying with the Code of Ethics and promote the compliance with the rules in general.

The Code of Ethics is available in electronic format on the company's website www.fmispa.it.

The Code of Ethics is structured as follows:

- **ETHICAL PRINCIPLES OF REFERENCE**
- **BEHAVIOUR NORMS**
- **METHOD OF APPLICATION.**

4. ETHICAL PRINCIPLES OF REFERENCE

4.1 COMPLIANCE WITH THE LAW

The compliance with all applicable laws, national and international, national and international guidelines, regulations and company procedures are an essential principle of any FMI Spa activity.

The Company believes that compliance with these regulations is essential, applying them with honesty and fairness.

4.2 HONESTY, FAIRNESS

The fulfilment of all the activities related to the achievement of the business purpose must comply with the principles of honesty and fairness that are an essential element of corporate management.

4.3 PROTECTION OF INDIVIDUALS

F.M.I Spa protects and promotes the value of human resources, in order to improve and increase the assets and skills of each employee.



The company prohibits any kind of discrimination based on age, gender, sexual preference, health, race, nationality, political opinions, membership of trade unions and religious beliefs.

FMI Spa guarantees working conditions that are respectful of the dignity of its workers and ensures a safe and healthy working environment for the protection of workers' health and safety.

4.4 TRANSPARENCY IN THE CONDUCT OF BUSINESS AND PROTECTION OF SHAREHOLDERS

The company models its conduct on transparency and reliability and is committed to provide outside and inside the organisation with true, complete, comprehensible and accurate information.

The information to shareholders and the governing bodies is based on the truthfulness and correctness of the information regarding the corporate and accounting management.

The company pursues its corporate scope in accordance with law, the Statute and the social regulations, ensuring the proper functioning of the corporate bodies and the protection of property and investment rights of its shareholders preserving the integrity of its assets and capital stock.

4.5 PROTECTION OF COMPETITION

FMI Spa deems that a healthy and fair competition system contributes to the better development of its corporate mission, therefore it observes the existing rules on competition by abstaining from any collusive behaviour.

4.6 QUALITY OF PRODUCTS

The fundamental scope of FMI spa is the achievement of the highest customer satisfaction level to maintain and increase its position on the market in compliance with the best competition.

The company's commitments on quality are also specified in the "Policy Document on Quality, Environment, Health, and Safety" approved by the Company's Management. The Company is in fact equipped with a Quality System certified under ISO 9001: 2008.

4.7 CONFIDENTIALITY

The Recipients ensure the confidentiality of the information known at the time of the transactions carried out on behalf of the company. Recipients are required to treat any information they receive in relation to the employment task as confidential, in compliance with the legislation on personal data (Legislative Decree 196/03).

All the staff should be informed on the personal data kept by the company and the measures taken for their protection.

4.8 EFFECTIVENESS AND EFFICIENCY

The company is always looking for the effectiveness and efficiency of its processes in particular within the production employing resources consciously in order to contribute to the achievement of the corporate goals.

The search for efficiency is subject to the compliance with the rules and securing of the production activities. The Company continuously invests in the search for innovative and innovative technology solutions that meet the legal requirements and pursues effectiveness and efficiency in business performance.

4.9 PROTECTION OF COMPANY RESOURCES

FMI Spa IMF engages to preserve and protect the physical assets of the company ensuring the protection of its intellectual property. For this purpose, it instructs its corporate officers for the proper use of goods, resources or information entrusted to them for the exercise of activities.

4.10 PROTECTION OF SAFETY AND HEALTH

FMI Spa has the key objective of safeguarding the health and safety of all persons directly or indirectly involved in work activities, therefore it undertakes to ensure appropriate prevention standards and improve the safety, health, and wellbeing at work over time.

The correct application of the current legislation and the compliance with the related technical standards are for the company, together with the information and training of workers and their involvement, the indispensable tools to achieve, maintain and improve working and environment conditions such as to ensure the protection of the health and safety of workers, employees and third parties in the company.

The company's commitments for health and safety at work are indicated in the document "Policy for Quality, Environment, Health and Safety" approved by the company management.

The company, even by means of an active collaboration of its employees and its external service providers:

- promotes and implements initiatives aimed at minimising the risks and remove the causes that may endanger the safety and health of people, excluding any form of exception or derogation to the internal procedures adopted for this purpose;
- adopts an Occupational Safety and Health Management Systems to prevent, control and reduce the risks of accidents, identifying the responsibilities, training people, defining tangible and measurable objectives;
- collaborates with its stakeholders with its stakeholders, both internal (e.g. employees) and external (e.g. institutions, supervisory bodies, etc.), to optimise the management of the issues on occupational health and safety.
- maintains high safety standards in accordance with local regulations.

4.11 PROTECTION OF THE ENVIRONMENT

The company engages to operate in compliance with current environmental regulations, to promote and plan the development of the activities aimed at valorising the natural resources and preserve the environment for future generations.

FMI Spa promotes and guarantees a strong environmental awareness among all staff, both for personal protection and for the environment in general, while maintaining a high level of professional knowledge of the employees. The commitments of the company in terms of environmental protection are included in the "Policy Document on Quality, Environment, Health and Safety" approved by the Management.

5. STANDARDS OF CONDUCT

5.1 RELATIONS WITH CUSTOMERS

The clientele is an integral part of the company's assets. To consolidate the loyalty and respect of customers, it is indispensable that any relationship is characterised by criteria of loyalty, availability, transparency, and professionalism. The company manages the relationships with its customers based on the respect for the values included in this Code of Ethics.

The employees and collaborators must improve their professional skills continually and with all means to give answers suitable to the interlocutor's needs by providing all necessary assistance to facilitate informed and shared choices, avoiding any forcing.

In order to safeguard the reliability and the company's prestige, FMI Spa is committed to:

- have as its primary objective the full satisfaction of the customer recipient of the service;
- create a solid relationship with the Customer, inspired by correctness and efficiency;
- maintain a professional, loyal and collaborative attitude towards the client that should be placed in the condition to take on aware and informed decisions;
- use clear and simple forms of communication, in accordance with current regulations, without resorting to elusive and improper practices, in order to avoid neglecting any relevant element for the understanding by the customer;
- maintain relations with clients that present personal and commercial requirements of seriousness and reliability;
- avoid maintaining business relationships with persons of whom it is known that they are involved in or suspected of an involvement in illegal activities;
- refuse all forms of "recommendation" or "conditioning" both internal and external.

In any case, relations with customers must be based on an absolute respect of the legal regulations on money laundering, data protection, transparency, and anti-usury.

Employees and collaborators are prohibited to offer or promise gifts, presents and benefits to customers that go beyond the normal standards of courtesy, so they cannot be interpreted as a means for obtaining favourable treatments for the company.

5.2 RELATIONSHIPS WITH SUPPLIERS

The company manages relationships with its suppliers based on the respect for the values included in this Code of Ethics.

FMI SpA, stops the assessment on the convenience of the offer, on its answering of the business needs and on the overall reliability of suppliers, in the choice of the supplier it shall also consider:

- the commitment of the supplier to comply with the rules on environmental preservation and protection, collective bargaining and occupational safety;
- the ability to cope, depending on the nature of the service, to protect confidentiality.

In the definition of contracts with suppliers, employees are required to strictly comply with the regulations and procedures and any obligations imposed by current law.

The staff is prohibited from granting or offering gifts, presents and benefits to suppliers that go beyond the normal standards of courtesy, so they cannot be interpreted as a means for obtaining favourable treatments for the company.

FMI deems it essential to comply with the ethical principles and behaviour set out in this Code by suppliers, thus it involves the insertion of specific termination clauses in contracts that will be considered immediately applicable upon the occurrence of any violation of this Code of Ethics by suppliers.

5.3 RELATIONSHIP WITH SHAREHOLDERS

Towards the shareholders, FMI Spa engages to:

- ensure the effective participation of all members of the boards to the meetings through the timely information regarding the agenda, in order to establish a fruitful dialogue;
- research the maximum transparency both in corporate communications and personal relationships.

Corporate bodies, aware of its responsibility as well as the compliance with the law, the Statute, the supervisory regulations are held to comply with the contents of this Code of Ethics.

Their components are required to:

- hold a behaviour inspired by autonomy and independence;
- hold a behaviour inspired by integrity, loyalty, sense of responsibility towards the company;
- the assiduous and informed participation in the meetings and activities of the corporate bodies;
- the awareness of the role;
- sharing the mission and critical spirit, in order to ensure an important personal contribution;
- to assess the conflict of interest or incompatibility of functions, duties, or positions inside and outside the company.

5.4 RELATIONSHIPS WITH THE STAFF

Human resources are an essential corporate asset; their development is a key factor to achieve the objectives of the company.

The company engages to:

- adopt staff policies based on the valorisation of the merit and development of professionalism. In particular FMI Spa undertakes to adopt criteria of merit, competence and anyway strictly professional for any decision concerning the employment relationship with its employees and external collaborators; therefore, discriminatory practices are prohibited in the recruitment, hiring training, management and development, and remuneration of the staff, as well as all forms of nepotism and favouritism;
- inform the employee who has just been hired comprehensively on the characteristics of the tasks and duties, on the regulations and salary and on the required compliance with the principles contained in the Code of Ethics.

Without prejudice to what is provided by law, by the charter, by the regulation and by the internal rules, as well as by current contractual requirements, the employees, when performing their service, must uniform their actions to the principles expressed in this Code of Ethics.

DUTIES FOR THE EMPLOYEES:

All the FMI Spa staff must:

- set their behaviour to observing the principles of protection and respect for human being, loyalty, fairness in personal relationships and operational logics set on the integration and cross-functional collaboration, on the empowerment of people, team spirit and respect for hierarchical and functional relationships in order to achieve the business objectives;
- avoid engaging in operations in conflict of interest, promptly informing the immediate supervisor of any kinship relations, direct or indirect, with the parties with which a business relationship is about to start or be managed on behalf of FMI Spa;
- comply with standards to protect health and safety at work and environmental protection;
- deal with data, news and information that it holds in an absolutely confidential manner, by preventing the spreading or use, for speculative own or third party scopes, and in any case safeguarding the principles of loyalty, correctness and transparency, first recalled. The information with a confidential nature may be disclosed, within the structures and FMI SpA offices, only towards those with an actual need to know them for business reasons;

- prove any other interlocutor, with which it comes into contact for business purposes, moral integrity talents, avoiding behaviours that could cast doubt on that capacity;
- protect and preserve the values and assets that have been entrusted to this person and contribute to the protection of company assets in general, avoiding situations that could adversely affect the integrity and safety of these assets;
- avoid that an unbalanced personal financial situation could have an impact of any kind on the work activity;
- refrain from requesting, directly or indirectly, recommendations and any other favourable treatment contrary to the principles set down in this Code of Ethics.

In particular employees must:

Protect and properly use company assets correctly, including confidential information, that are part of the fundamental responsibilities of every employee.

Employees must comply with the dictates of safety programs to protect the property and other company assets from an unauthorised use or removal, as well as from losses for a criminal offense or breach of trust.

Tools, machinery, equipment, and whatever else is part of the company's properties are to be used only for purposes that are strictly related to the activity, any unauthorised use is an infringement. Tools, machinery, equipment, and anything else is owned by the company are to be used only during working hours, unless authorised by the management, each use outside working hours is a violation.

Employees who have not been expressly entrusted with the data processing cannot access folders, files that are not part of their duties and cannot, anyhow, access internet and use email systems.

Today, surfing the Internet is a threat to the safety of the company's computer system, with the serious risk of data loss.

In the case of accompaniment in the company of suppliers, customers, representatives, consultants using cameras, mobile phones with cameras is prohibited without permission by the Management.

Confidential information of the company cannot be communicated or disclosed in any form, without specific authorisation, to those who are not employees of the Company or to employees who have no reason to obtain such information.

Each employee, within their duties and within the limits set by law, shall:

- stand out for proactive attitude and proactivity;
- increase their training and professionalism with every means;
- be able to treasure improvement tips offered from other colleagues;
- contribute to the professional growth of the employees;

- make decisions and take risks per the logic of safe and prudent management, ensuring the economic and efficient use of resources within the law and internal regulations, as well as the correct use of procedures and of the risk control system;
- be able to recognise their own mistakes and take action to correct them;
- consider the company's result as its own responsibility, a reason for satisfaction, and the result of teamwork;
- be able to deem the claims and/or customer reports aimed at suggesting improvements to procedures and services as an opportunity for improvement.

5.5 RELATIONSHIP WITH THE PUBLIC ADMINISTRATION

With the relations with the Public Administration must comply with the values and forecasts included in this Code of Ethics and company procedures and can be held only by the corporate officers assigned with this task.

The staff is strictly forbidden to offer or promise money or other benefits to Public Administration officials and their families that may affect the performance of official duties directly or indirectly. In relations with officials of the Public Administration collusive conduct is prohibited. Statements made to the institutions and governments must include truthful, complete and documented information to ensure the correct assessment by the Public Administration involved.

The company bans any fraudulent conduct aimed at obtaining disbursements in the form of loans, grants, financial subsidies by public bodies. The contributions and funding received by public institutions are destined for the intended purposes, respecting the provided terms and conditions of use envisaged.

6. APPLICATION MODE FOR THE CODE OF ETHICS

6.1 INFORMATION AND TRAINING

The Code of Ethics is brought to the attention of all stakeholders inside and outside the company through specific information and training activities.

To guarantee a correct understanding of the Code of Ethics, FMI Spa arranges and implements, also in accordance with any directions by the Supervisory Board, a periodic plan for the spreading, information and training activities aimed at promoting awareness of the principles and rules contained therein.

6.2 SUPERVISORY BODY (SB)

The Supervisory Board constituted by the company and provided for by Legislative Decree 231/01 has the task to ensure the implementation of the Code of Ethics. The SB is

an internal body to the company with independent auditing and control powers over the implementation of the Code of Ethics and in the more general Management and Control Organisation Model of which the Code of Ethics is an integral part.

The Supervisory Board is assigned with the following tasks on the implementation of the Code of Ethics:

- monitoring of the implementation of the Code of Ethics by the involved parties, through the application of specific internal auditing plans and collecting any reports provided by the recipients;
- reporting to the Sole Administrator any violations of the Code of Ethics with great importance;
- expressing opinions on the revision of the most important company policies and procedures in order to ensure consistency with the Code of Ethics;
- provide, if necessary, to the periodic review of the Code of Ethics.

The recipients of the Code of Ethics can turn to the SB to request clarifications, insights or to report possible violations to the Code of Ethics by sending an email to the special email inbox: odv@fmi-spa.it.

The Code of Ethics is binding even for third parties, or those outside the company who work, directly or indirectly, e.g. FMI Spa (for example: employees, consultants and suppliers, trading partners, etc.).

Third parties are thus obliged, by means of specific contractual provisions, to comply with the provisions included in the Code of Ethics, within the limits of their competences and responsibilities, as well as the specific rules and procedures referred to in the Model governing the relationship with third parties.

Any violations of the Code of Ethics and of the Model, if applicable, shall determine, based on the contractual agreements, the termination of the contract.

6.3 REPORTS BY INVOLVED PARTIES

The recipients of the Code of Ethics are required to adhere to the behavioural principles defined in the Code.

If the recipients are aware of violations or alleged violations of the Code of Ethics, they are required to submit a specific report directly to the SB by sending an email to the email address specified above.

The Supervisory Board shall analyse the report, possibly by hearing the author and the person responsible for the alleged violation. The Supervisory Board acts to protect informants against any type of retaliation, deemed as an act that could give rise even to



the suspicion of being a form of discrimination or penalty. Furthermore, the identity shall remain confidential, without prejudice to the legal obligations.

6.4 VIOLATIONS AND PENALTIES

Abiding by the rules and principles set with the Code of Ethics is for the recipients an essential part of their contractual obligations. Their violation compromises the relationship of trust between the company and anyone who commits the violation (directors, company staff, employees, customers, and suppliers).

Violations, once verified, shall be prosecuted in a timely manner, through the adoption of disciplinary measures provided by a specific Disciplinary System, integral part of the Organisational Management and Control Model in compliance with the existing legislation (Industry Collective Agreement and/or the Italian Civil Code) and in an appropriate manner that is proportional to the violation, irrespective of any criminal importance for such behaviour and the start of criminal proceedings.