

# Code of Ethics of the Group



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Industrie CBI S.p.A.

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# 1. Introduction

## Introduction

Nicotra Gebhardt (also referred to here as “the Group”) is present on world markets with its production of centrifugal and axial fans, roof extractors and fans for process air designed for all mass production and design activities. The present Group was founded in 2005 following Nicotra's acquisition of the German company Gebhardt, a manufacturer of centrifugal fans-electric fans with external rotor motors.

Nicotra began producing centrifugal fans in the early 60s. The strong growth in demand, the right response to market needs and the quality of its product brought Nicotra quickly to become the market leader for light industrial fans.

Between 1980 and 1990 Nicotra created a European network and established distribution companies in France, Germany, Spain and the UK, with regional distribution managers who, through on site warehouses, made the products available quickly and were able to offer proper technical advice.

Between 1990 and 2003 Nicotra established subsidiaries in Singapore, Malaysia, Thailand, Australia, China and India.

On 18 October 2013 the acquisition of Industrie CBI SpA was completed, one of the leading European manufacturers in the industrial ventilation sector and a provider of related services involving advanced engineering. The Group that was formed has an annual turnover equal to approximately € 200 million and the widest range of products now available on the market, and has thus become the only manufacturer on a global level able to cover both the civil and industrial market.

Nicotra Gebhardt SpA, as the Parent Company, by resolution of the Board of Directors on 22 July 2016, has adopted this Code of Ethics (the “Code”) in order to define in a clear and transparent way the values which inspire Nicotra Gebhardt SpA and its subsidiaries in pursuing their business objectives.

The value and importance of the Code of Ethics are strengthened by the provision of the specific liability of Institutions as a result of the commission of crimes and administrative offences, as referred to in Legislative Decree 8 June 2001 no. 231.

## Recipients

The Code contains the ethical principles, corporate values and rules of conduct that the Directors, Statutory Auditors, employees, consultants, employees, agents, suppliers and all those who act in the name or on behalf of Companies of the Nicotra Gebhardt Group (hereinafter the “Recipients”) are required to know and respect.

The provisions of this Code set out the ethical principles and the fundamental values of the Group – which orient the style of its business activities – and how to behave in relations with the community and in the workplace.

All the recipients of this Code of Ethics must adopt correct and consistent conduct with respect to the principles described herein and have the right/duty to stay up to date and be aware of its content, in order to ensure their proper application.

The Companies of the Nicotra Gebhardt Group provide the recipients of the Code with all the necessary tools (i.e. training) to develop a thorough understanding of its contents and consequently to adopt ethical conduct.

## Structure

The Code of Ethics consists of three parts:

- the ethical principles which underpin the organisation of the Group;
- the rules of conduct that the Group companies have created for themselves so that the recipients of the Code are in possession of the necessary tools to ensure compliance with the ethical principles contained therein;
- the rules of implementation that the Group has developed for monitoring the correct application of the rules of conduct.

## 2. Ethical principles

The Code of Ethics describes as follows the principles that are the foundation and prerequisite for its existence:

### Honesty and moral integrity

On the regulatory level, the Group companies are required to respect the laws and regulations in the countries in which they operate, as well as all adopted internal procedures and protocols.

On an operational level, they must act in a fair and transparent manner by establishing trade relations with third parties based on full collaboration, giving proof of loyalty and reliability to customers and suppliers and avoiding any misleading information and conduct that might take unfair advantage of another party's weakness or ignorance.

The Group condemns any conduct aimed at carrying out criminal acts and expressly prohibits any form of agreement – with parties in the employ of the Group companies or with third parties – intended in any way to pursue unlawful objectives, as well as any form of negative influence that might in any way affect the statements to be made to the Judicial Authority.

All forms of corruption are prohibited. Commissions, gifts or personal favours may be paid or accepted only in strict compliance with the principles of corporate behaviour.

Provisions to contrast corruption generally prohibit the payment of, the offer of or the authorisation to give anything that has economic value, either directly or through a third party (for example, an agent, a consultant, etc.) to public officials or private entities with the intent to obtain or retain an improper business advantage or to influence an official act or decision of a public official or a private entity. These anti-corruption rules are applicable to the Group, but also to individuals such as company employees.

### Loyalty and absence of conflict of interest

Employees have a sense of loyalty to the group, and this translates into the moral responsibility to promote the Group's interest and to avoid any situation of incompatibility between personal economic activities and one's company duties that creates a personal advantage contrary to the interests of the Group.

The following situations, among others, are to be considered in conflict:

- profit-sharing (overt or covert) in business activities with suppliers, customers, competitors;
- using one's own company position to pursue interests in conflict with those of the Group;
- using information acquired, while carrying out one's work activities, for the benefit of third parties or oneself or in any way contrary to the interests of the Group;
- taking on company positions with or carrying out work activities of any kind on behalf of customers, suppliers, competitors and third parties in general that are contrary to the interests of the Group.

Each situation potentially capable of generating a conflict of interest or otherwise affecting the Recipient's ability to make decisions in the best interest of the Group must be immediately notified by the Recipient to his supervisor or contact person, who will inform the Group Compliance Officer, and they will jointly evaluate, in the interest of the Group, in each case, the actual existence of a conflict of interest, determining the obligation for the recipient to refrain from acts connected or related to that situation or accepting the conflict by adequately regulating it through special contractual clauses.

The Recipients shall respect any decisions in this regard that are taken by the Group companies.

### Equal opportunity, meritocracy and respect for individual personality

The Nicotra Gebhardt Group guarantees equal opportunities for the professional development of its employees and discourages injustice or discrimination in the workplace by promoting the use of merit-based tools to support growth and professional development.

The Group companies respect the fundamental rights of people, providing equal opportunities and fair judgement both during the hiring process and during the employment relationship, refraining from discriminatory actions based on political opinions, union membership, religion, race, nationality, age, sex, sexual orientation, health status and in general any intimate characteristic of a human being.

These principles are reflected in the refusal to initiate negotiations or assign duties that may offend or are contrary to the fundamental principles underlying respect for human dignity; they are also reflected in the commitment not to work with anyone who violates these principles, with particular reference to the exploitation of child labour and the protection of the primary rights of every worker.

### Fairness, transparency and traceability of information

All actions and relationships with third parties must be made in compliance with the principles of truthfulness, completeness, transparency and timeliness of information, in order to allow third parties to make informed decisions.

It is prohibited for the Recipients of this Code to use information obtained in violation of the rules on personal data protection, to divulge information or false or tendentious comments, to use confidential data in a manner different from the provisions of the authorisations received. The protection of information and data contained or stored in digital media shall be ensured by the adoption of security measures adequate to that purpose.

All primary operations performed must be supported by appropriate documentation, in order to enable control over the reasons for and the characteristics of the operation, both in the phase of authorisation and in that of the execution, registration and verification of the same.

## Legality and “fair competition”

Compliance with laws and regulations in force is a fundamental principle within the Departments/Functions of the Group companies and in the exercise of their activities. The Recipients are required to comply with the requirements of the legal system (national laws and any applicable supranational or foreign laws) in which they operate and must in any case refrain from committing violations of the laws and regulations.

Therefore, each Recipient agrees to diligently acquire the necessary knowledge of the laws and regulations applicable to the performance of his duties and to respect the principles contained therein. Conduct contrary to the aforesaid precepts will neither be tolerated, nor can the lack of knowledge or inadequate knowledge of them be justified in any way.

The Group companies will neither initiate nor continue any relationship with those who do not comply with this principle.

The Group conducts its business activities in respect for free competition and condemns any form of unfair competition, collusive relationships and abuse of a dominant position. In this regard, the Group is committed to putting in place appropriate measures to ensure that respect for the law and existing rules and principles of fairness is understood and practised by the recipients of the Code.

The companies of the Group intend to prevent any agreement or conduct made in their name from constituting an unlawful restriction of competition and each employee and/or collaborator must be aware of this and act accordingly.

## Environment and Health and Safety at Work

The Group companies use the best technology available to ensure the efficient use of natural resources at its disposal. It is the Group's primary objective to preserve the environment for future generations and contribute to the economic development of the social context in which it operates.

The Group promotes a work environment that protects people's physical and psychological integrity in respect for a person's need to balance his professional sphere and personal life. The observance of laws and regulations regarding health and safety, therefore, is a prerequisite for the Group companies and their employees as well as for all customers and suppliers with whom we conduct business.

Protection at work is accomplished through the prevention of accidents and occupational diseases, and is thus an application of the general principles of Articles 4, 32 and 35 of the Constitution.

The Group companies guarantee compliance with the regulations on safety and ensure that the tasks assigned – in relation to safety and hygiene at work – to external consultants or individual business managers are made solely on the basis of proven and appropriate skills and experience in that field.

The Group companies, in a perspective of constant risk prevention, undertake to consolidate and spread the culture of safety, developing risk awareness and promoting responsible behaviour by all staff.

Each Employee, regardless of his position in the company hierarchy, must adhere to these principles and in carrying out his activities must be extremely careful to observe all approved safety and prevention measures as well as the instructions and directions provided by the people to whom Group companies have delegated the fulfilment of safety obligations (Legislative Decree 9 April 2008, no. 81) to avoid any possible risk to themselves and to their co-workers and colleagues.

### 3. Rules of Conduct

The rules and guidelines for conduct that respects the above principles are described below.

#### Internal Control and Risk Management

The companies of the Nicotra Gebhardt Group have adopted an Internal Control and Risk Management System consisting of a set of rules, procedures and operating instructions that contribute to a healthy company that is compliant and consistent with the established goals.

#### Money laundering and Self-laundering

The Group companies apply the anti-money laundering regulations issued by the competent Italian and foreign authorities with the aim of preventing the development of illegal activities and/or criminal organisations and the use of money derived from criminal activity.

The Recipients are therefore required to verify all available information on business counterparties, suppliers, customers, associates, agents and consultants, in order to ascertain their respectability and the legitimacy of their activities before establishing business relationships with them.

Recipients must also avoid any involvement in operations capable, even potentially, of facilitating money laundering; it is also prohibited:

- to receive, use and/or conceal the proceeds of any crime;
- to replace or transfer money from an intentional crime;
- to concretely hinder the identification of the criminal origin of money coming into the company;
- to create illicit funds through tax fraud or billing for non-existent transactions.

The management of financial resources is defined on the basis of principles of:

- a substantial segregation of departments/functions, in order to ensure that all spending is requested, paid and controlled by independent departments/functions or persons who are as separated as possible, to which, moreover, no other responsibilities are assigned which may give rise to potential conflicts of interest;
- the traceability and transparency of financial flows within the Group's companies and payments to entities outside the company so that it is always possible to reconstruct the Group's financial movements.

#### Terrorism

The companies of the Nicotra Gebhardt Group apply the anti-terrorism regulations issued by the competent Italian and foreign authorities with the aim of preventing the development of criminal and/or terrorist organisations and the use of money derived from criminal activity.

The Recipients are therefore required to verify all available information on business counterparties, suppliers, customers, associates, agents and consultants, in order to ascertain their respectability and the legitimacy of their activities before establishing business relationships with them.

Recipients must also avoid any involvement in operations capable, even potentially, of promoting terrorism and must act in full compliance with anti-terrorism legislation and internal “Export Compliance” control procedures in relation to industrial and commercial operations for supplies subject to export restrictions.

### Corruption

Recipients are prohibited from offering, delivering, promising or granting to third parties, as well as accepting or receiving from third parties, directly or indirectly, even in times of festivities, gifts, benefits or other advantages including in the form of sums in cash and assets.

Only donations of moderate value (less than 150 Euro) directly attributable to normal business courtesy are allowed, but they must not create the impression, in the other Party or in a third and impartial outsider, that they aim to acquire or give an unfair advantage or give the impression of illegality or immorality. In any case, these gifts should always be made in accordance with the rules contained and adequately documented in corporate procedures.

## Managing relations with Stakeholders

### Customer relationships

The companies of the Nicotra Gebhardt Group establish and maintain over time strong relationships with their customers, while prohibiting conduct that is discriminatory, misleading and/or aimed at obtaining undue advantages. The companies expect their customers to act in accordance with the principles governed by the Code of Ethics as well as with current company operating procedures, and recommend that their employees notify the Supervisory Board if a customer has behaved in violation of the ethical principles established by the Code of Ethics.

In the development of business initiatives with customers, the Recipients are required to:

- establish relationships only with people who enjoy a respectable reputation, who are not involved in illegal activities or in activities designed to finance or support terrorism, and who operate in compliance with applicable law and who have an ethical corporate culture comparable to that of the Group. To this end, the Recipients involved in managing relations with customers must verify in advance all available information on the customers themselves;
- ensure the transparency of agreements and refrain from signing secret covenants or agreements contrary to law.

Group companies shall, furthermore, provide contractual clauses giving them the option to take all appropriate measures (including termination of the contract) in the event that the customer violates the law or this Code.

### Relations with suppliers

Group companies manage a supplier selection process that guarantees equal opportunities, loyalty and reliability to all suppliers. The Group expects its suppliers to comply with internal operating procedures and to agree to respect requisites regarding quality, cost and delivery times. In addition, the Group intends to avoid situations of excessive dependence both for companies and for the supplier and requires its employees to report to the Supervisory Board if a supplier has behaved in violation of the ethical principles established by the Code of Ethics.

### Relations with other external parties

The Nicotra Gebhardt Group expects external parties such as consultants, agents and brokers to behave in accordance with the principles contained in the Code of Ethics. The Group companies intend to select only individuals who are qualified both professionally and from the point of view of their reputation. The companies expect external parties to deliver performance levels adequate to the provisions of their contract and agree to ensure payment of a fee commensurate with the levels of quality, cost and timeliness provided.

### Relations with shareholders and creditors

The Group produces a transparent and truthful company information flow for the preparation of financial statements and other company documents addressed to shareholders and creditors, which present in a clear and reliable way the economic and financial state of the companies. The Group intends to ensure that every item of accounting data in the financial statements is adequately supported by documentation consistent and in line with accounting reference standards in order to facilitate effective and efficient decision making.

### Relations with the Public Administration

The Nicotra Gebhardt Group companies manage their relationships with the Public Administration by strictly observing applicable laws and regulations in order to safeguard their integrity and reputation and to fully comply with the following rules of conduct:

- the departments/functions entrusted with the task of interfacing with public authorities must respect the principles contained in this Code of Ethics and the Model of management and internal control pursuant to Legislative Decree 231/2001;
- it is forbidden to promise or pay sums of money or other benefits to public officials whether on one's own behalf or in the interest and/or to the benefit of the Company;
- it is forbidden to produce documents or false information aimed at illicitly obtaining grants, subsidies or funding from the state, regions, public authorities, etc.
- the broadest cooperation possible with Public Officials must be guaranteed during inspections by promptly providing clear, transparent and truthful information and giving prompt response to the demands of judicial bodies in statements free of omissions, providing all the information necessary to ascertain the facts;
- employees who encounter conduct in violation of the above principles are required to report it to the Supervisory Board.

### Staff relations (hiring, placement, development)

The Group is aware of the value that human resources have in the achievement of strategic corporate objectives. It therefore intends to implement a process of staff selection and recruitment aimed at filling the absences of professional skills within the company by providing a programme of development and internal growth that keeps internal staff motivated and determined to achieve the objectives of corporate growth.

The Group's corporate culture is based on human resource development and respect for the privacy of the candidates as well as ensuring equal opportunities and recruitment through a regular employment contract.

The Group companies guarantee that they do not select and employ foreign workers who are not yet of working age, are without a residence permit or with a residence permit that has expired, been revoked or cancelled, or are subjected to particularly exploitative working conditions (e.g. exposed to extremely dangerous situations).

In-house training initiatives are put in place in order to provide employees with opportunities for personal and professional growth. The companies intend to pay their employees a salary commensurate with their level of responsibility and expertise and the degree to which the assigned business objectives are achieved, and which is in line with applicable contract laws and applicable meritocratic policies.

Internal communication is promoted to develop a functioning network of business processes that guarantees that all employees share a common vision of corporate values, principles and strategies in order to enhance the corporate identity of each employee. The Group companies have the goal of ensuring a fair relationship between work and personal life, seeking a balance between business and private needs.

The independence of employees is protected so that the occurrence of conflicts of interest can be prevented, in compliance with ethical principles. At the same time, employees who are in potentially conflicting situations are required to promptly report them to the Group Compliance Officer.

### Management of health, safety and the environment

The Group is aware of how important and indispensable it is to ensure a healthy and safe working environment for people's mental and physical well-being, providing workplaces that comply with health and safety standards. The Group companies undertake to ensure that the suppliers with whom they do business have been pre-qualified for levels of quality, safety and environment and the Group intends to comply with existing regulations regarding health, safety and the environment at work, using the best production technologies to reduce environmental pollution and to ensure the sustainability of the business in the long run. The Group companies also intend to develop an ongoing training programme addressed to their employees, with the aim of spreading awareness of the issues in question to all the actors involved in the business chain.

## 4. Implementation rules

The task of supervising the proper functioning and observance of this Code is entrusted to the Supervisory Board, which has independent powers of initiative and control, appointed by the Board of Directors pursuant to the rules set out in Legislative Decree 231/2001.

The Supervisory Board has, in relation to the supervision of compliance and implementation of the Code of Ethics, the powers, duties and obligations provided in the organisational model implemented under the aforementioned legislation. Without prejudice to respect for each protection afforded by law or by collective agreements and without prejudice to legal obligations, the Supervisory Board is entitled to receive reports, requests for information, complaints or reports of potential or actual violations of this Code at the following email address: [odv@nicotra-gebhardt.com](mailto:odv@nicotra-gebhardt.com), or via traditional mail addressed to Nicotra Gebhardt SpA, Via Modena, 18 – 24040 – Ciserano (BG), brought to the attention of the Supervisory Board.

All Recipients are obliged to report without delay any conduct not conforming to the principles and rules of conduct set out in this Code.

All information received will be kept secret, in accordance with applicable laws. The confidentiality of the identity of the informant will therefore be ensured, subject to the requirements connected with the fulfilment of the duties of the Supervisory Board, and the whistleblower will thus be protected from retaliation, illicit pressure, hardship and discrimination of any kind in the workplace for having reported the violation of the Code's contents.

### Penalty System

Compliance with the provisions contained in this Code must be considered an integral part of the contractual obligations of employees pursuant to Article 2104 of the Civil Code.

Any violation of its provisions will configure, therefore, an offence requiring disciplinary action, and as such, will be pursued in accordance with and for the purposes of Art. 7 of Law 300/1970 and may lead to compensation for damages caused to the Group companies.

In the event of violation by Directors and Auditors, appropriate measures will be taken by the Board of Directors and by the Shareholders' Meeting.

The Board of Directors, in the case of violations which amount to just cause for termination of employment, shall propose the adoption of measures by and within the powers of the Shareholders, and shall fulfil any additional requirements provided for by law.

In the event of violations committed by contractual counterparties, the Group companies are entitled to take the most appropriate actions provided for in the relevant contractual clauses, and may even exclude any further collaboration.

The penalties shall be adopted by the governing bodies and the heads of the competent corporate departments, by virtue of the powers granted to them by law and by the By-laws or assigned to them by resolution of the administrative body or by power of attorney.

### Information and Training on the Code of Ethics

The Code of Ethics is brought to the attention of all internal and external stakeholders through specific communications (for example, inserting references to the Code in contracts with third parties, specific information on the company website and intranet, etc.).

In order to ensure the correct understanding of the Code of Ethics, the HR Department prepares and implements, with the support of the Supervisory Board, a training plan aimed at promoting awareness of the principles and ethical standards contained therein.