

CODE OF CONDUCT

of CASAPPA S.p.A.

APPROVED by the Board of Directors of the company Casappa S.p.A. on 12 September 2017

The Chairman of the BOD Mr. Renato Casappa

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DEFINITIONS

Company	CASAPPA S.p.A.
Code of conduct	Code of conduct adopted by the Company and by its Management Bodies
Collaborators	Persons acting in the name and/or on behalf of the Company on the basis of a special appointment, of another contractual obligation or power of attorney and who directly or indirectly carry out activities that are connected with or of interest for the business activities (e.g. consultants, external professionals).
Recipients	Persons operating for the Company: staff, managers, directors, stakeholders, as well as internal and external collaborators who contribute to the achievement of the Company's objectives through its direction and supervision.
Employees	All the staff employed by the Company (including directors), other staff (e.g. temporary workers) or persons hired with a work contract.
Casappa Group / Group	The companies that belong to the CASAPPA group and directly or indirectly controlled by CASAPPA S.p.A. in accordance with art. 2359 of the Italian Civil Code
Disciplinary offence	Conduct held by Recipients in breach of the rules of conduct set out by the Model and/or by the Code of conduct
Company	CASAPPA S.p.A.
Senior positions	Persons performing representative, administrative or management functions in the Entity or one of its organizational units having financial and functional autonomy and persons who, de facto or otherwise, manage and control the Entity
Subordinates	Persons who are subject to the management or supervision of one of the senior positions.

1 INTRODUCTION

CASAPPA has been operating for over 60 years in the design and production of hydraulic pumps and motors and is totally controlled by Finrel S.p.A., holding company of the Casappa families. The company designs and makes the main components of the hydraulic system for applications ranging from construction machinery, to material handling, agricultural machines, industrial applications and industrial vehicles.

CASAPPA S.p.A. has always devoted great attention to the ethical aspects and considers legality and honesty to be essential conditions for the performance of their activities. In the exercise of its activities, CASAPPA S.p.A. intends to observe, in addition to current laws and provisions, also the principles and high ethical standards that are illustrated in this Code of conduct.

Using an ethical approach in corporate activities is of fundamental importance for the company's performance and credibility as it pertains to customers, suppliers, shareholders and, more in general, the entire economic context in which it operates.

CASAPPA S.p.A. intends to transform the knowledge and appreciation of the ethical values it has adopted into a competitive advantage.

The company has therefore decided to set out this Code of conduct, with the aim of confirming and recording in a document the principles of honesty, fairness, integrity and transparency of our conduct, our approach to work and to relationships, both inside the company and with third parties.

The Recipients of the Code of conduct are required to become familiar with its contents and to contribute to its implementation and promotion of the principles contained here.

The rules contained in the Code of conduct combine the conduct that Recipients are required to observe on the basis of civil and criminal laws, current regulations and the obligations set forth in collective labour agreements. In no way may the belief of acting in the interest of CASAPPA S.p.A. justify the adoption of behaviours contrasting with said principles.

When Recipients of the Code of conduct breach its rules, they are harming the relationship of trust with the Company, causing damage to it and therefore, they should expect disciplinary or other consequences because of it.

Each of the companies controlled by CASAPPA S.p.A. adopts this Code of conduct as a document to regulate the behaviour of their employees, collaborators, directors and top management.

Each of the companies controlled by CASAPPA S.p.A. undertakes to comply with specific current laws in the various areas where they are based and applicable to the various company sectors, by operating in conformity with the principles of integrity and coherence of actions; this is also achieved through the application of the provisions of this Code of conduct.

Each of the companies controlled by CASAPPA S.p.A. is responsible for the conduct of the persons working in their organization.

2 GENERAL PRINCIPLES

Recipients of this Code of conduct must comply with the following guiding principles in the performance of their duties in the interest and for the benefit of the Company:

- acting in an informed way to ensure compliance with current laws and regulations;
- treating customers, shareholders, employees, suppliers, community and institutions that represent it, including all public officials or public service providers, as well as all third parties you liaise with for professional reasons, with honesty, fairness, impartiality and without prejudice;
- competing fairly on the market with competitors;
- protecting the health and safety of all collaborators and third parties involved with the company;
- monitoring and, if needed, minimizing the potentially harmful impact of the company's activities on the environment;
- treating as confidential any information regarding the company, its know-how, employees, customers and suppliers;
- operating according to the principle that each operation or transaction must be duly authorized, recorded, verifiable, legal, consistent and congruent;
- avoiding conflict with the interest of the Company or declaring such conflict beforehand;
- using the intellectual and material goods of the Company, including IT instruments, in compliance with general regulations, their intended use, and in a way that will ensure their preservation and efficiency, in accordance with third-party intellectual rights, avoiding use that violates any legal provision.

The pursuit of the Company's interest may never justify behaviours by its BOD, executives, employees or collaborators that do not comply with current laws and with the rules of this Code.

3 CONDUCT in BUSINESS MANAGEMENT

All the acts and operations of the Company must be duly recorded and make it possible to prove the process of authorization and performance.

For each operation there must be adequate supporting documentation, in order to be able to carry out, at any time, checks that can evaluate the characteristics of and reasons for the operation and identify the person who authorized, executed, recorded and verified the operation.

In relations with directors, general managers, auditors and official receivers, and in general with subordinates and subjects from other companies, in particular customers, a strictly professional approach is mandatory, avoiding any form of gifts or promise of money or other personal benefit; it is especially prohibited to act in any way with said persons in a way that could be construed as an action designed to have them carry out or omit acts in breach of the obligations required of their office or of the obligation of loyalty towards their companies.

CASAPPA S.p.A. avoids business relationships with third parties who have been found or even just reasonably assumed to participate in criminal activities or terrorism.

3.1 Relations with customers

CASAPPA S.p.A. shapes its activity on the principle of quality, intended essentially as the objective of fully satisfying the customers' requirements, focusing on requests that can lead to an improvement of the quality of the services offered and of the products supplied.

The Company guarantees fairness and clarity to customers, as well as fair, diligent fulfilment of contract terms. All messages sent to customers, as well as advertising messages, embody the principles of simplicity, clarity and completeness, avoiding the use of any deceitful and/or unfair practice.

3.2 Relations with suppliers

Relations with suppliers, including those of a financial and consulting nature, are subject to the principles set out in this Code and are constantly and carefully monitored by the Company.

CASAPPA S.p.A. uses exclusively suppliers who operate in compliance with current regulations and with the rules set forth in this Code. Selection of the above subjects and decisions regarding purchasing terms are based on an objective evaluation of the quality, of the services, of the products and price offered, of the ability to supply and promptly provide services and products of a level fit for the company's needs. Under no circumstances shall a supplier be chosen over another due to personal relationships or advantages, the selection should be based instead on the exclusive interest and benefit of the Company.

Supplier of machinery and equipment must be selected also on the basis of compliance with workplace safety and hygiene regulations.

The supply of personal protection equipment and other general safety and prevention devices shall comply with general and specific requirements with respect to certification and suitability according to their intended use.

Before contracting third parties to perform activities inside the Company or areas under the Company's responsibility, as part of works and supply contracts, the technical/professional suitability of the third party will be checked and the specific obligations regarding workplace safety and hygiene will be applied.

3.3 Relations with employees

Human resources are an indispensable factor for the existence, development, and success of a company. For this reason, CASAPPA S.p.A. safeguards and promotes the value of human resources with the aim of improving and increasing the assets and skills of each person working in the organization, including those employed on a contractual basis.

CASAPPA S.p.A. offers equal opportunities to all employees based on their professional qualifications and each individual's abilities, without discrimination of any sort. Therefore, the Company, through its competent functions, selects, hires, remunerates and manages its human resources based on merit and competence, in compliance with current collective labour agreements and with the reward system adopted and guided by the principles of objectivity and reasonableness.

The working environment encourages collaboration and promotes team spirit with respect for each individual's moral values, and is free from prejudices, bullying, illegitimate conditioning or undue discomfort.

Employees operate in accordance with high standards of quality and hygiene, in compliance with the rules set out in this Code of conduct and in the operating procedures set out by the Company.

3.4 *Relations with third-party partners*

Association or partnerships with external persons or third-party companies must be regulated by formal agreements signed by both parties, stating the mutual commitment to the principles of fairness, transparency, compliance with legal provisions and in accordance with the guidelines set forth in this Code of conduct. It is prohibited to rig bids, to withhold or withdraw bids, rotate bids or present nonconforming bids.

3.5 *Relations with competitors*

CASAPPA S.p.A. believes in open and fair competition and directs its actions to the achievement of competitive results that reward competence, experience and efficiency.

Recipients must adhere to the concept of fair play in the company's business and relations with the Government bodies.

Any action aimed at altering conditions of fair competition is in contrast with CASAPPA's company policy and is forbidden to any person acting on behalf of the Company.

In each and every external communication, information regarding the Company and its activities shall be truthful, clear and verifiable.

Under no circumstances may the pursuit of the Company's interests justify a conduct that does not comply with the rules of this Code.

3.6 *Relations with the Government bodies*

In its relationship with the national and local governments, the company considers every act, conduct or agreement carefully to ensure they are geared to the utmost transparency, fairness and legality. To this end, CASAPPA S.p.A. will avoid, insofar as possible, entrusting the entire process to a single natural person on the assumption that a number of subjects and functions helps to minimise the risk of interpersonal relations contrasting with the will of the Company. Applying the above principle, in relations regarding inspections and authorization procedures, the company favours the multiplicity of business partners on the same assumption that this will minimize the above-mentioned risk.

In relations with public officers, Recipients shall not carry out, directly or indirectly, actions that can unduly influence the decision of the counterpart. In particular, it is prohibited to offer employment and/or commercial opportunities that can directly or indirectly benefit the employees of Public Administrations. If the Company uses a consultant to be represented or receive technical-administrative assistance in liaising with Public Administrations, these consultants must comply with the directives given to company employees. In selecting such consultants, the Company shall favour criteria of professionalism and fairness, carefully evaluating situations of collaboration with subjects who have been employed by Public Administrations or who have a familiar relationship with public officers.

All requests for grants, contributions, funding, tax cuts from public bodies, whether national or from the European Community, are made in compliance with applicable regulations and, in particular, with the principle of separation of duties, of record keeping and traceability; once the funds have been obtained, they can only be used for the purpose for which they were granted.

3.7 Gifts and benefits

It is prohibited to give any form of gifts or benefits that may be considered to exceed normal commercial practices or courtesy or in any way designed to obtain illegitimate favourable terms in the performance of any activity connected with the Company. In particular, it is prohibited to make any kind of donations to Italian or foreign public officers, or to their family, with the aim of affecting their independent judgement.

Any gifts offered to third parties, as a normal courtesy, must be of small value, duly recorded and authorized by the manager.

If Recipients of this Code of conduct receive gifts or benefits of value reasonably considered to not be insignificant, or receive solicitation to give gifts or benefits of some value, they are required to promptly inform the members of the BOD who are responsible for these issues, and the latter will decide, together with the Management Body, on the necessary measures.

4 HEALTH, SAFETY AND ENVIRONMENT

4.1 Workplace health, hygiene and safety.

The safeguard of workplace health and safety is a primary objective of our Company.

CASAPPA S.p.A. operates at every level to guarantee the physical and moral integrity of its collaborators, work conditions that respect individual dignity and safe, healthy work premises, in full compliance with current applicable regulations.

Considering the activities carried out by the Company, hygiene and safety of the work premises are essential elements to protect the company's workers and safeguard the company; each employee is therefore required to contribute.

CASAPPA S.p.A. evaluates all the risks for the workers' health and safety, including in the choice of work equipment and of the substances or chemicals used, as well as in the layout of work premises.

Each company decision, whatever the type and level, regarding workplace health and safety, must consider the following fundamental principles and criteria:

- avoiding risks;
- evaluating risks that cannot be avoided;
- dealing with risks at the source;
- adapting work to the person - in particular with respect to the design of work stations and the selection of equipment as well as the work and production methods;
- mitigating and alternating monotonous work and repetitive work to reduce the effects of this work on health;
- taking into account the degree of evolution of the techniques used;
- replacing dangerous devices for devices that are not dangerous or less dangerous;
- giving priority to collective protection measures over individual protection measures.

The company's prevention plans aim to create a coherent system that combines technique, organization, working conditions, social relations and the influence of workplace-related factors.

CASAPPA S.p.A. undertakes to spread and consolidate the culture of safety among its collaborators, developing training and information programmes designed to increase the knowledge and awareness of risks in the company and good practices.

The Recipients of this Code, and in particular the Employers, Directors, Supervisors, Workers, Prevention and Protection Service Manager, Company Physician and Workers' Safety Representative, contribute to the process of prevention of risks and protection of health and safety for themselves, their colleagues and third parties, without prejudice to the obligations and individual responsibilities pursuant to applicable provisions of the law.

4.2 Protecting the environment.

The environment is a primary asset for the community, which CASAPPA S.p.A. wants to contribute to protect. To this end, in planning its activities CASAPPA S.p.A. seeks balance between economical and environmental needs, in full compliance with legal provisions and applicable regulations, providing the utmost cooperation to Public Authorities in charge of verifications, supervision and protection of the environment. When it promotes, designs or outsources the design of construction projects, the company carries out or ensures that contractors carry out, inter alia, all the assessments needed to verify the possible environmental risks linked to the project and to prevent damage.

The Recipients of this Code contribute to full protection of the environment in the performance of the company's activities. In particular, they will use the utmost care to ensure that current applicable regulations are complied with and that illegal unloading, emissions, and spills are prevented. Management of the company's waste must comply with current provisions.

CASAPPA S.p.A. undertakes to spread and consolidate a culture of environmental protection and prevention of pollution.

5 DATA AND INFORMATION PROCESSING

Processing of the data and information acquired by CASAPPA S.p.A. during the performance of company activities is carried out with full respect for the privacy of data subjects and in compliance with data protection regulations.

Separation of roles and responsibilities is guaranteed in the processing of data and information. Third parties who intervene in the processing of data are bound to confidentiality.

All the data and information received by the Recipients of this Code of conduct concerning their work and professional relationship are strictly confidential and remain property of the company.

Persons who, through the performance of a function, a profession or an office, have access to data and confidential information relating to the company's business or company's products, shall not use them to their own or someone else's advantage, but only for the task and within the scope of their office or corporate activity. Data and information with a public character concerning the company and the work or professional activity performed by it should be treated with discretion.

The disclosure of data and information externally shall be carried out by the company functions in charge, in a legal, transparent and truthful manner.

In particular, all the data and information sent to Public Administrations must be truthful, correct, transparent and complete, and must be produced and disclosed in accordance with corporate organizational procedures and authorization flows.

The following principles must be respected in processing activities:

- responsibility;
- transparency;
- limited collection;
- purpose for use;
- verifiability and quality;
- security.

6 USE OF INFORMATION TECHNOLOGY RESOURCES

IT and telematic resources are fundamental instruments for effective, competitive management of the company, ensuring rapidity, broadness and correctness of information flows.

All the data and information stored in the company's IT and telematic systems, including electronic mail, are property of the Company and must be used only for the performance of the company's activities, in accordance with the methods and limits indicated by the company.

A correct, responsible use of IT and telematic instruments is also promoted to guarantee compliance with data protection regulations; it is prohibited to collect, store and disseminate data and information for purposes other than those connected with the performance of the company's activities.

It is prohibited to use any IT or telematic programme for which copyrights are held by third parties unless the company has first obtained a licence.

To protect the company and its assets, the use of IT and telematic instruments is subject to monitoring and inspections by the company.

7 COMPANY ACTIVITIES

7.1 Corporate conduct

The Company considers that its conduct must always comply in form and in substance with the law. The company operates at the will of the Shareholders, whose resolutions are protected, transparent and carried out with integrity and behaviour that is also extended towards its creditors. The integrity of the company's capital and the non-distributable reserves are protected with the corporate disposition based on maximum cooperation with the Authorities appointed for audits or inspections. In the performance of corporate activities or other activities having a direct or indirect effect thereon, the Recipients of this Code shall avoid any form of association that can in any way facilitate the commission of a criminal offence.

7.2 Accounting books and Company Register

The Company records in an accurate and complete manner all the company's activities and operations, to ensure maximum accounting transparency and prevent false, misleading or deceptive entries. The administrative and accounting activity is implemented with the use of modern instruments and computerized procedures to optimize efficiency, accuracy, completeness and compliance with accounting standards, as well as favour the necessary audits and inspection on legality, coherence and adequacy of the process of decision, authorization, performance of company actions and transactions.

CASAPPA S.p.A. believes that the accuracy of the company's financial statements is a fundamental value and provides maximum collaboration at every level, supplying accurate, truthful information regarding company assets, goods and transaction, as well as for every reasonable request received from Public Bodies.

7.3 Principles of Fairness and Competition

Any action designed to alter the conditions of fair and free competition is contrary to the policy of CASAPPA S.p.A. and under no circumstances shall the pursuit of the company's interest justify a conduct by directors or collaborators that does not comply with current regulations and with the Code of conduct.

7.4 Conflicts of interest

The Recipients of the Code of conduct must avoid all the situations and activities that can give rise to a conflict of interest between personal economic activities and the duties performed in one's department. It is prohibited to pursue one's interest to the detriment of corporate interest, nor to make unauthorized use of company assets for personal use; without prejudice to the above, Directors are not allowed to directly or indirectly hold interest in competing companies, client companies, supplier companies or auditing firms, insofar as the amount of said interest may influence the resolutions of corporate bodies.

8 IMPLEMENTATION AND CONTROL

In compliance with current regulations and with a view to planning and managing the company's activities for efficiency, fairness, transparency and high quality, CASAPPA S.p.A. adopts organizational and management measures designed to prevent unlawful conduct or non-compliance with the rules of this Code by any person acting on behalf of the Company.

Based on the diversification of activities and of the internal organization, the Company may adopt a system of delegation of powers and functions, providing for the assignment of specific duties to persons having the suitable skills and competence.

The Company adopts and implements organization and management models that include measures designed to guarantee the performance of activities in compliance with the law and with the rules of conduct of this Code, and to detect and promptly eliminate risk situations.

The application of the Code of conduct is the responsibility of the Management Body. The Code of conduct has been widely distributed throughout the Company, and is available to any individual or organization interested into it.

9 FINAL PROVISIONS

This Code of conduct has immediate effect and remains valid until reviewed.
All Recipients are required to be familiar with the Code and abide by it.