

**ORGANISATION AND MANAGEMENT MODEL  
OF**

**UTIL INDUSTRIES S.P.A.**

**CODE OF ETHICS**

**October 2021**

## **I. WHEREAS**

Util industries S.p.A. (hereinafter, also “**Util**” or the “**Company**”) has always paid great attention to the ethical aspects of business and considers legality and fairness to be necessary conditions for carrying out its business activities.

Especially since Util is aware of operating in a particularly delicate and important sector such as components for braking systems in the automotive sector.

In carrying out its activities, the Company intends to comply not only with the laws and, more generally, with the provisions in force in all countries in which it operates and will operate, but also with high ethical standards, whose inspiring principles are set out in this Code of Ethics (hereinafter, the “**Code of Ethics**”).

The Code of Ethics is an integral part of the Organisation, Management and Control Model adopted by the Company on 9 July 2021 (hereinafter, the “**Model 231**”) pursuant to Italian Legislative Decree 231 of 8 June 2001, and defines the ethical principles that the Company considers fundamental in carrying out its activities and the rules of conduct that all those acting on behalf of the Company must comply with.

The Company supervises the actual compliance with the Code of Ethics and provides adequate information, training, prevention and control tools and guarantees the transparency of the conduct implemented, sanctioning, where necessary, any conduct that does not comply with the principles and rules of conduct laid down in the Code of Ethics in accordance with the provisions of the Disciplinary Code.

## **II. GENERAL PROVISIONS**

### **A. Purpose of the Code of Ethics and recipients**

The Code of Ethics expresses the ethical principles to which the Company conforms in the conduct of business and corporate activities, defining the set of rights, duties and responsibilities that derive from these principles and that are undertaken by the Company in the exercise of the corporate activity.

The purpose of the Code of Ethics is to summarise the ethical principles and rules of conduct in which the Company recognises itself and with which those who work for the Company or collaborate with it or have relations with it, for any reason, must comply.

The recipients of the Code of Ethics are:

- a) the members of the Board of Directors of the Company (hereinafter, the “**BoD**”), the liquidators in the event of liquidation of the Company and those who perform, including de facto, management, administration, management or control functions in the Company or in one of its autonomous organisational units;
- b) the members of the Supervisory Body of the Company (hereinafter, the “**SB**”);  
(the subjects referred to in points a) and b) below, collectively, the “**Corporate Bodies**”)
- c) managers;
- d) employees of the Company;  
(the subjects referred to in points c) and d) below, collectively, the “**Employees**”)
- e) all those who, although external to the Company, operate, directly or indirectly (permanently or temporarily), on behalf of the same (such as, by way of example but not limited to, collaborators in any capacity, attorneys, distributors, agents, consultants, suppliers, business partners, etc.) (hereinafter, collectively, the “**Third Party Recipients**”)  
(all the subjects mentioned above, hereinafter, collectively, the “**Recipients**”).

All Recipients are required to observe and, to the extent of their competence, enforce the provisions of the Code of Ethics and the principles contained therein.

Under no circumstances may the Recipients adopt conduct contrary to the provisions of the Code of Ethics, justifying the same with the alleged pursuit of the Company's interest.

The Code of Ethics applies to the entire set of activities carried out by the Company, including abroad.

Compliance with the provisions of the Code of Ethics constitutes an integral part of the contractual obligations of the Employees pursuant to and for the effects of the provisions of art. 2104 et seq. of the Italian Civil Code.

Compliance with the provisions of the Code of Ethics is also an integral part of the contractual obligations of the Third Party Recipients. In the absence of the express commitment to comply with the rules of the Code of Ethics, the Company will not terminate and/or continue any relationship with the Third Party Recipients. To this end, the letters of appointment and/or negotiated agreements with Third Party Recipients shall include specific clauses aimed at confirming the latter's obligation to fully comply with Model 231 and the Code of Ethics, as well as providing, in the event of violation, for a warning to comply with Model 231 and the Code of Ethics, the application of penalties and the termination of the contractual relationship.

The breach of the provisions of the Code of Ethics, considered strictly by the Company, damages, among other things, the relationship of trust established with the Company and can lead to disciplinary actions and compensation for damages, without prejudice, for Employees, to

compliance with the provisions of art. 7 of Italian Law 300/1970, the Disciplinary Code and the collective agreements applied to employment relationships.

Breaches of the Code of Ethics must be immediately brought to the attention of the Company using the channels and methods described in the specific procedure adopted by the Company for reporting offences and irregularities (hereinafter, the “*Whistleblowing Policy*”).

## **B. Dissemination of the Code of Ethics**

The Company undertakes to ensure the maximum dissemination of the Code of Ethics within and outside the Company, by distributing it to Corporate Bodies, all Employees and Third Party Recipients, publishing it on the Company's website [www.util.it](http://www.util.it), as well as publishing it on the Company's electronic bulletin board located in a specific area of the company *intranet* which can be easily accessed by clicking on the link that will be sent by the Company to Employees by means of a specific e-mail.

The Company, also through and with the help of the SB, oversees:

- a) the implementation of specific periodic training and awareness-raising activity on the topics covered by the Code of Ethics for the purpose of preventing the crimes provided for by Italian Legislative Decree 231/2001, for this purpose providing for compulsory participation in courses, preparing verification questionnaires on the degree of knowledge and understanding of the prescriptions and purposes of the Code of Ethics and keeping evidence of the subjects participating in training courses;
- b) the performance of periodic checks in order to monitor the degree of compliance with the provisions contained in the Code of Ethics;
- c) the constant updating of the Code of Ethics in relation to the economic, financial, commercial and geographical evolution of the Company's activity, to any changes in its organisational or management structure, as well as with reference to the types of breaches found in the scope of supervisory activity and any changes to the regulatory framework of reference;
- d) the provision of adequate prevention tools, the implementation of appropriate sanctioning measures and their timely application in case of ascertained violation of the provisions of the Code of Ethics;
- e) the preparation of any possible instrument that favours the full application of the Code of Ethics.

The Code of Ethics is also subject to review by UTIL's Board of Directors. The audit activity takes into account the contributions received from the Recipients, as well as regulatory developments and the most established national and international practices, as well as the experience acquired in the application of the Code itself.

### **C. Obligations of Recipients**

The Code of Ethics binds all Recipients at whatever level they operate within the company organisation.

Recipients are required to be aware of the provisions contained in the Code of Ethics or referred to therein, as well as the applicable laws and regulations.

The Recipients are also required to:

- a) refrain from conduct, including omissions, contrary to the provisions of the Code of Ethics, applicable laws and regulations;
- b) contact their superiors or the SB for the necessary clarifications on the methods of application of the Code of Ethics and/or applicable laws and regulations;
- c) report any breach, including potential, of the Code of Ethics as described in the *Whistleblowing Policy*;
- d) collaborate in the event of any investigations carried out by the Company, the SB or public authorities in relation to alleged breaches of Model 231 and/or the Code of Ethics.

### **D. Additional obligations for the managers of corporate functions**

In addition to the provisions set out above, each company function manager is required to:

- a) set an example for their subordinates with their own behaviour;
- b) ensure compliance with the Code of Ethics by its subordinates;
- c) ensure that their subordinates understand that the provisions contained in the Code of Ethics are an integral part of their work performance;
- d) prevent any form of retaliation within its functions, to the detriment of the Recipients who have collaborated in order to guarantee compliance with the Code of Ethics;
- e) promote and ensure compliance with the Code of Ethics by Third Party Recipients with whom it operates.

### **III. ETHICAL PRINCIPLES**

#### **A. Ethics in the management of business and company activities**

Util orients its business to the satisfaction and protection of its customers, ensuring that the products and services provided are always up to the best existing innovations and ensure the highest level of efficiency and quality.

The Company undertakes to comply with the applicable laws and regulations. The Company's commitment is not limited to compliance with the quality and safety standards dictated by laws but, where possible, it goes beyond in order to ensure more effective products, services and solutions.

Util bases its reputation on the highest quality of its products and services, so that customers are able to provide users with the best possible result.

The Company ensures compliance of the applicable laws of export control and other regulations which regulate trade with various countries.

The Company undertakes to act with fairness and transparency, avoiding misleading information and conduct that can take unfair advantage of the weakness or lack of knowledge of others and respecting free private enterprise, affirming the social function of the free market, maximising the economic and financial performance of the companies through fair trade relations with customers and suppliers and adequate recognition of the contribution of its employees.

The Company also undertakes to adopt specific precautions (as illustrated below) in relations with the Public Administration.

#### **B. Work ethics: protection and enhancement of human resources**

The Company recognises the value of human resources as a fundamental factor for its development and is aware that internal and external collaborators are a fundamental resource for the stability of the Company.

In particular, the Company:

- a) promotes the value of the human resources in order to improve and increase the heritage and the competitiveness of the skills possessed by each Recipient;
- b) guarantees the health, safety and physical and mental integrity of its Employees, collaborators and consultants, as well as working conditions respectful of individual dignity and safe and healthy working environments, in compliance with the applicable regulations;
- c) rejects any form of illegal work;

- d) rejects all forms of discrimination, whether sexual, racial or otherwise; discrimination means behaviour, whether verbal, non-verbal or physical, which undermines the dignity of men and women at the workplace, causes personal offence, infringes the rights of others, or is disrespectful of any repercussions on other individuals;
- e) in the management of relationships that involve hierarchical relationships, undertakes to ensure that authority is exercised fairly and correctly, avoiding any abuse.

The protection of health and safety at work is a primary objective of the Company, which, therefore, undertakes to disseminate and consolidate among all Recipients a culture of safety, aimed at increasing their sensitivity and awareness of possible risks at work as well as to promote responsible and respectful behaviour and conduct towards their own and others' safety.

Consistent with this objective, the Recipients, and in particular the Employees and all figures involved in the tasks related to health and safety at work (Occupational Physician, Health and Safety Officer, Workers health and safety representative) cooperate, within the framework of their functions and responsibilities, to eliminate or progressively reduce the risks at source and improve working conditions, in particular when decisions or choices have to be made and then when they have to be implemented.

The Company is committed to developing the skills and stimulating the abilities and potential of its employees so that they are fully realised in achieving its objectives.

Util offers equal employment opportunities on the basis of specific professional qualifications and skills, without any discrimination as to race, religious belief, sex, age, trade union membership, in compliance with current laws and regulations.

Recipients who believe they have suffered discrimination may report the incident to the Personnel Department and/or to their manager, who will proceed to verify the actual breach of the Code of Ethics. The Company reaffirms its commitment to preserving the moral and physical integrity of its Employees, contractors and consultants.

### **C. Selection process for Third Party Recipients**

The Company proceeds with the identification and selection of Third Recipients with absolute impartiality, autonomy and independence of judgement. Third Party Recipients are required to comply with the principles contained in this Code.

The Employees and the Corporate Bodies must:

- a) carefully evaluate the opportunity to use Third Party Recipients;
- b) select only counterparts with adequate professional qualification and reputation;

- c) obtaining from Third Party Recipients the assurance of constant satisfaction of the most convenient ratio between level of service, quality, cost and time;
- d) require the Recipients to comply with the principles of this Code and include in the contracts the express obligation to comply with it, as well as to operate within the framework of current laws and regulations;
- e) promptly report any behaviour of Third Party Recipients that appears to be contrary to the ethical principles of the Code.

Conduct contrary to the principles expressed in the Code of Ethics can be considered a serious breach of the duties of correctness and good faith in the execution of the contract, reason for injury of the fiduciary relationship and just cause for termination of the contractual relationships.

#### **D. Accounting Transparency**

Util is aware of the importance of transparency, accuracy and completeness of accounting information and strives to implement an administrative-accounting system which correctly represents management events and provides effective tools to prevent, identify and manage, as far as possible, risks of a financial and operational nature, as well as frauds to the detriment of the Company.

The accounting records and the documents that derive from them must:

- a) be based on accurate, comprehensive and verifiable information;
- b) reflect the nature of the transaction to which they refer in compliance with external constraints (legal provisions and accounting standards), as well as internal policies, plans, regulations and procedures;
- c) be accompanied by the relevant supporting documentation necessary to allow for objective analysis and verification.

In the activity of accounting for the facts relating to the management of the Company, the Recipients are required to scrupulously comply with current legislation and internal procedures so that each transaction is, in addition to correctly registered, also authorised, verifiable and legitimate.

The accounting records must allow to:

- a) produce accurate and timely economic, equity and financial situations;



- b) provide the tools to prevent, identify and manage, as far as possible, financial and operational fraud and risks;
- c) carry out checks.

All Recipients are required to ensure that the results of operations are properly and timely represented, so that the administrative-accounting system can achieve all the purposes described above.

Adequate supporting documentation of the activity carried out is filed for each transaction, in order to allow for:

- a) easy accounting registration;
- b) identification of the different levels of responsibility;
- c) accurate reconstruction of the transaction, also to reduce the probability of interpretative errors.

All entries must reflect exactly that which results from the accompanying documentation. It is the responsibility of each Recipient to ensure that documentation is easily traceable and kept in order according to logical criteria. Recipients who become aware of omissions, falsifications, neglect of the accounting or documentation on which the accounting records are based, are required to report the facts to their superior or the competent function.

Recipients are required to act with transparency towards the Company in charge of the audit and the Statutory Auditors and to provide them with the utmost collaboration in carrying out the respective verification and control activities.

## **E. Competition**

The Company is aware that the free market assumes the independence of its players to determine and pursue their corporate purposes. The Company firmly believes in competition and the free market, an asset that must be defended against any undue pressure, whether internal, from the players in the markets concerned, or external, from third parties, whatever their role.

The conduct of the Company on the market is based on maximum fairness towards competitors. In particular, Util undertakes not to engage in misconduct that damages the image of competing companies.

The Company carries out its commercial activity in compliance with legal requirements relevant to competition and supply tenders, which it undertakes to comply with by taking all appropriate measures. Util condemns any initiative or contact between competitors that is contrary to the

principles of competition, including but not limited to: agreements on prices or quantities, division of markets, limitations of production or sales, customer sharing agreements, exchange of information on prices, etc.

**F. Sustainable development and liability towards the Community**

Util undertakes to take into consideration within its development plans the necessities of the community in which the company is located, with the aim of contributing to its economic, social and civil development.

The Company carries out its activities through the use of the best available technologies, promotion and development of activities aimed at enhancing the value of natural resources and preserving the environment and in compliance with the laws and regulations concerning environmental protection.

**G. Ethics of information**

Communication to the Company, which takes place exclusively through the functions assigned to it, consists above all in product information, which must be accurate, balanced, fair, objective, unambiguous and never misleading, documented and verifiable.

Information must be prepared and disclosed pursuant to the applicable provisions.

**IV. REGULATIONS OF CONDUCT**

**A. Conflicts of interest**

It is prohibited for the Recipients to carry out or facilitate operations in conflict of interest, even if only potential, with the Company, as well as activities that may interfere with the ability to take, in an impartial manner, decisions in the best interest of the Company and in full compliance with the Code of Ethics.

The Recipients are required to notify the SB of any conflict of interest situation, even if only potential, of their own or of third parties of which they are aware, so that the existence and severity are assessed and the consequent actual or even potential effects can be excluded or mitigated.

**B. Unlawful payments and practices**

Recipients may not offer, make or authorise, directly or indirectly, cash payments or anything of significant value, for the unlawful purpose of:

- a) influencing judgements or the conduct of any party, entity, customer or company;
- b) obtain or maintain commercial activities;
- c) influencing any act or decision by any public official;
- d) however, take advantage, by this being understood, not only direct incentives but also those indirectly, under any form, through agents, distributors, consultants or other third parties.

It is also forbidden for Recipients to perform or omit acts as a result of the giving or promise of money or other benefits, for themselves or others, in breach of the obligations inherent to their office or obligations of loyalty.

### **C. Confidentiality**

The Company ensures the confidentiality of the information in its possession and refrains from using confidential data, except in the case of express authorisation of the owner and, in any case, in compliance with current laws.

It is prohibited for the Recipients to use, disclose or communicate to anyone any confidential information of which they have become aware or which they have received or obtained by virtue of or in relation to the functions and assignments carried out at and/or in the interest of the Company or at and/or in the interest of any other company of the Group to which the Company belongs, as well as, in general, in the context of the relationships maintained with the same.

For these purposes, “confidential information” means any and all information, data or news that have been communicated confidentially, or that are confidential and are related to the activity, to any future activities, or to the affairs of the Company or any other Group company to which the Company belongs.

### **D. Relations with third parties – Gifts and donations – Relations with the Public Administration**

Any relationship that will be established by the Recipients with respect to employees of the Public Administration or third parties, public and private sectors, must be based, at all times, on the principles of formality, transparency, ethical and professional correctness.

Recipients are prohibited from promising or paying sums, promising or granting goods in kind, benefits or other benefits to public employees and/or similar subjects, to third parties, both public and private, who intervene in a purchasing process, including on a personal basis, with the aim of promoting or favouring their own interests or those of the Company.

Acts of commercial courtesy, such as gifts or forms of hospitality, are permitted provided they are of a modest value and in any case do not compromise the integrity and reputation of one of the parties and do not influence the independent judgement of the recipient.

Similarly, Employees may not receive gifts or favourable treatment, except within the limits of normal courtesy relationships and provided they are of a modest value. If an Employee receives gifts in excess of the above limits, he/she must immediately inform his/her superior, who will immediately arrange for the return or more appropriate use of the gift received, and inform the donor of Util's principles in this respect.

In relations with the Court Authority, all Recipients are required to maintain open, transparent and collaborative behaviour. In particular, it is forbidden for all Recipients to induce any person, internal or external to the Company, to omit statements due to the Court Authority or to provide false or inaccurate statements.

In relations with the Public Administration, it is also forbidden, directly or indirectly, through third parties, to take the following actions:

- a) pursuant to art. 53, subsection 16-ter of Italian Legislative Decree 165/2001, in the three years following the termination of the public employment relationship, to employ the Company or entrust assignments to former employees of the Public Administration who in the last three years of service have exercised authoritative or negotiating powers towards the Company;
- b) offer or provide gifts in any form that are not of a modest value and that in any case can be understood with a remunerative attitude;
- c) solicit or obtain confidential information beyond what is allowed by law;
- d) carry out activities that unduly interfere with the formation of the will of the Public Administration with respect to the subject of a tender procedure.

Interaction with third parties must only be directed towards subjects that meet specific *compliance* requirements, namely:

- carry out adequate *due diligence* on the natural and legal persons, including non-profit entities, with whom they work, to ensure that no benefits are offered to public employees or officials, customers or others for unlawful purposes;
- ensure that the behaviour of the subjects, natural and legal persons, including non-profit entities, with whom they collaborate complies with the current anti-corruption legislation;
- have ISO 9001 certification and/or other similar valid certifications;
- are equipped with an Organisational Model pursuant to Italian Legislative Decree 231/2001 and the Supervisory Body;
- have a Code of Ethics;

- are not under investigation or whose representatives are not under investigation, or are not undergoing proceedings or have not been subject to precautionary measures or convictions, even if not final, for offences relevant to Italian Legislative Decree. 231/2001 or arts. 356 and 356-bis of the Italian Criminal Code.

#### **E. Harassment and Abuse – Smoking**

Util requires that in internal and external working relationships there is no harassment, meaning as such:

- a) the creation of an intimidating, hostile or isolating work environment for individuals or groups of workers;
- b) unjustified interference with the performance of the work of others;
- c) the obstacle to the individual job prospects of others for mere reasons of personal competitiveness.

The Company, as far as possible, prevents and in any case represses abusive or harassing attitudes and conduct of all kinds, including those of a sexual nature.

Each Recipient is required to contribute to the maintenance of a work environment that respects the sensitivity of others. Therefore, during the course of work and in the workplace, it is prohibited to:

- a) supply service whilst under the effects of alcohol, drugs or psychotropic substances;
- b) use or supply for any reason alcohol, drugs or psychotropic substances during work hours.

Util undertakes to promote the social recovery initiatives regulated by the legislation and the collective bargaining in force from time to time.

In compliance with current legislation, smoking is prohibited in the workplace. The Company identifies and makes available to the Recipients specific spaces reserved for smokers.

#### **F. Use of Company Goods – Internet and E-Mail**

It is the task of each Recipient to carefully and respectfully store the company assets avoiding improper use of the assets available for business reasons. The misuse of company-owned and supplied assets and resources is forbidden.

The Company considers that access to the Internet and the use of systems made available by the same such as e-mail or voice mail, are important work tools and encourages a productive and profitable use.

The Internet, e-mail and voice service, as well as any other similar service, must be used above all for professional purposes. Use for personal purposes is permitted, provided that such use is reasonable. In any case, the content of messages and access to *websites* must comply with the company's principles and procedures and be characterised by prudence, decorum and professionalism.

It is strictly forbidden to write or forward messages containing material that is contrary to good manners, offensive, rude, of a sexual nature or content, and to access *websites* with similar content. It is also prohibited to archive and store such material on the Company's network system, downloading it from the Internet, archiving messages, or in any other way.

Confidentiality is always a key rule. The aforementioned computer and communication systems cannot be considered private or personal, and messages could (because they are misdirected, or as a result of legal proceedings or requirements, etc.) be read or heard by persons other than the addressee, inside or outside the Company.

It is forbidden to make improper use of the Internet and internal e-mail service. Improper use or abuse of these services constitutes a violation of the relevant company regulations and occurs, by way of example but not limited to, in the cases listed below:

- a) deliberate attempt to *bypass* the Company's protected computer system in order to gain access to the Internet;
- b) unauthorised attempts to access and use a colleague's e-mail *account* or Internet connection for any reason or purpose;
- c) prepare an e-mail message such that others appear to be the authors;
- d) disclose the system access code and *password*, or any other information that could compromise the security of the Company's IT assets;
- e) use e-mail and Internet services for the expressly prohibited purposes as set out in the relevant company regulations.

## **G. Anti-Money Laundering**

The Company strongly deplores and rejects participation or assistance, in whatever form, in money laundering activities. In order to prevent money laundering, i.e. the acceptance or processing of amounts deriving from criminal activities, the Recipients must check the information available in advance (including financial information) with reference to their commercial counterparts,

suppliers and third parties in general, in order to ascertain their respectability and the legitimacy of their activities before establishing business relations with the same.

Util is committed to observing and enforcing anti-money laundering regulations in any relevant jurisdiction through rigorous verification and control procedures.

## **H. Copyright and Intellectual Property**

It is strictly prohibited to improperly reproduce, imitate, tamper with trademarks, distinguishing marks, patents, industrial designs or models owned by third parties or make use of trademarks, distinguishing marks, patents, industrial designs or models counterfeited by third parties.

## **I. Training and promotional activities**

The Company undertakes not to organise, directly or indirectly, or to participate, in any form, in conferences, conventions, workshops and similar in which:

- a) tourism and recreational aspects prevail over technical-scientific aspects;
- b) hospitality and travel expenses are extended to those accompanying the invited guests;
- c) hospitality and travel expenses are extended for a period of time, prior to the beginning and/or after the end of the event , exceeding 24 hours;
- d) the principle of sobriety is not respected.

It is forbidden to compensate, fully or partially, any expense to cover activities that are not strictly related to the scientific aspect of the event (by way of example but not limited to: concerts, shows, social programs, etc.).

The training, educational and promotional activities on Util products organised by the Company through a third party organisation company, are considered company events and, as such, fall within the discipline of this paragraph.

## V. IMPLEMENTATION OF THE CODE OF ETHICS

### A. Disciplinary Code

Breaches of the Code of Ethics constitute conduct punishable by the Company on the basis of the disciplinary code adopted by the Company (the “**Disciplinary Code**”), of which it forms an integral part.

Failure to report a fact and/or a circumstance suitable to integrate the danger of a breach of the Code of Ethics also constitutes a breach punishable by the Company.

The Code of Ethics and the Disciplinary Code standardise the breaches of the ethical principles and rules of conduct envisaged in Model 231 and the Code of Ethics, as well as the relevant applicable sanctions.

### B. Whistleblowing Policy

The Company, in order to facilitate reports and communications by Recipients, has activated measures aimed at favouring the emergence of cases of offences and irregularities through the adoption of the *Whistleblowing Policy* which is an integral part of Model 231.