

BIESSE GROUP

Anti-Bribery Code of Conduct

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1. Aim

The aim of this document, known as the “Anti-Bribery Code of Conduct” (hereinafter also indicated as the “**Code**”), is to promote and strengthen the commitment of the Biesse Group (hereinafter also indicated as “**Biesse**” or the “**Company**”) to the principle of “zero tolerance” with respect to bribery.

The Code defines rules of conduct, shared by the Biesse Group, to be observed when doing business in any part of the world in which the Company may be involved for whatever reason, in order to guarantee compliance with the main anti-bribery laws in force.

This Code therefore intends to reiterate, extend and provide an operational guide for the concept already expressed in the Biesse Code of Conduct, in which all forms of bribery are strongly repudiated.

The Code likewise has the aim of introducing and rendering binding within Biesse the principles and rules of conduct that are significant for reasonable prevention of the crimes listed in Legislative Decree no. 231 of 2001 and in the UK Bribery Act of 2010, which substantially relate to cases of active or passive bribery, either direct or indirect, towards private or public entities, both at home and abroad.

2. Field of application

This Code is applicable to all employees and associates of the Biesse Group, and to all Third Parties who, for whatever reason, carry out activities in the name or on behalf of Biesse (hereinafter also indicated as the “**Recipients**”).

Application of the Code is expressly extended to all the Companies in the Biesse Group.

3. References

The main legislative sources regarding the prevention of bribery are indicated in this section. More specifically, the term **Anti-Bribery Regulations** refers to the requirements set out in the following legislative texts:

- Italian Criminal Code (Articles 318 and following);
- Italian Civil Code (Articles 2635 and following);
- Law No. 190 of 2012;
- Legislative Decree No. 231 of 2001 (Art. 25-ter, paragraph 1, letter s-bis);
- UK Bribery Act 2010;

The internal sources already adopted and applied by Biesse include the following: Code of Conduct; Organisation, Management and Control Model pursuant to Leg.Dec. 231/01; Procedures for management of relations with the Public Administration.

4. Definitions

The following are the definitions of key terms used within this Code:

- **Bribery:** offering, promising or giving out any asset of value in order to inappropriately influence a person with the aim of obtaining a service for Biesse; or requesting, soliciting or accepting any asset as compensation for carrying out or omitting to carry out an inappropriate action so that Biesse will award an assignment.
These instruments of bribery include money, free gifts, hospitality, expenses, mutual favours, loans or contributions, and any other benefit or remuneration, whether direct or indirect.
- **Facilitation Payment:** unofficial payments made to a Public Officer, with the aim of speeding up, encouraging or ensuring the performance of a routine activity or an activity that forms part of the normal duties of Public Officers.
- **Public Officers:** officers of any department or agency at local, national or international level; officers of any international public organisation (for example. UN, International Patent Office, European Investment Bank, European Commission, Customs Agency, Inland Revenue, Municipal authorities, etc.); political parties and party leaders; candidates for public office; managers and staff of state or state-owned companies; anybody acting on behalf of the above mentioned officers; any person with legislative, administrative or judicial powers.
- **Third Parties:** these include customers, suppliers, agents, dealers, commercial and business partners (Joint Ventures), consultants (both freelance and companies) and other individuals (persons, legal entities and bodies) carrying out actions in the name or on behalf of Biesse.
- **Legislative Decree 231:** Italian Legislative Decree No. 231 dated 8 June 2001, and subsequent modifications and additions thereto.
- **UK Bribery Act:** The United Kingdom 2010 Bribery Act and subsequent modifications and additions thereto.

5. Rules of Conduct

The rules of conduct listed in this section have the aim of identifying the behaviour that must be implemented by all employees and associates of the Biesse Group in order to guarantee compliance with the Anti-Bribery Laws.

5.1 Bribery

To promise, offer, pay or accept, either directly or through another person, monies or other assets to or from public or private entities, in order to obtain or maintain business or gain an undue advantage in relation to business activities is considered to be against the Anti-Bribery Laws and violates the requirements of this Code.

There are no monetary limits that identify a payment as being an act of bribery. An act of bribery is considered to be any transaction, either monetary or in other value assets, characterised by the intention of exerting undue influence on the actions of another individual.

In line with its own Code of Conduct, Biesse prohibits bribery without any exception, in relation to any entity, whether public or private.

More specifically, the following are prohibited by Biesse:

- to offer, promise, give out or authorise others to promise or give out, either directly or indirectly, an economic advantage or other utility to a Public Officer or to a private entity (Active Bribery);
- to accept the request, or solicitation, or to authorise others to accept or solicit, either directly or indirectly, an economic advantage or other utility from any party (Passive Bribery);

whenever there is the intent to:

- induce a Public Officer or private entity to improper execution of any function of a public nature, or to carry out any activity associated with a business or compensate them for having done so;
- influence an official action (or omission) by a Public Officer or any decision that violates an official duty;
- influence a Public Officer or a private entity or compensate them for an official action;
- obtain, gain or maintain a business or an undue advantage in relation to business activities; or
- in any event, violate applicable laws.

This prohibition is not merely limited to payments in cash, and includes, for the purposes of bribery:

- free gifts;
- individual third-party expenses, board and travel expenses;
- contributions in cash or in kind, for example sponsorships;
- commercial activities, jobs or investment opportunities;
- confidential information that might be used to negotiate financial instruments;

- personal discounts or credits;
- Facilitation Payments;
- assistance or support for family members;
- other advantages or utilities.

5.2 Relations with the Public Administration

As part of its relations with the Public Administration the Biesse Group, in line with the specific Procedures already adopted in relation to management of relations with the PA, reiterates the express prohibition regarding:

- a. making payments in cash to officers associated in any way with the Public Administration or other individuals charged to provide a Public Service;
- b. distribution of free gifts, presents and any other form of gratuity to individuals associated with the Italian, EU or foreign Public Administration (even in Countries where the giving of gifts is a widespread practice), or to their family members, with the aim of influencing independent judgement or inducing the assignment of any advantage that would not otherwise be given to Biesse;
- c. agreeing other advantages of any nature (promises of employment, goods, services, including those offered in person, etc.) in favour of representatives of the Italian, EU or foreign Public Administration, that might determine the same consequences as those envisaged in point b above;
- d. using, in management of relations with the Public Administration, any preferential routes or personal acquaintances, including those made outside professional circles, in order to influence their decisions;
- e. resorting to forms of pressure, deceit, suggestion or obtaining the benevolence of the Public Officer, in such a way as to influence completion of the inspection activities;
- f. presenting false statements to public bodies, whether national, EU or foreign.

With the aim of more effective implementation and greater respect for the rules of conduct indicated above, the Recipients are assigned the following duties:

- management in the name and on behalf of Biesse of relations with the Public Administration must be carried out solely and exclusively by those persons delegated or empowered to do so, and on the basis of the organisational and behavioural instructions implemented by the Company;
- those who for whatever reason carry out operations connected to performing the above activities must pay particular attention to ensure compliance with the operations foreseen and, in any case, must report immediately to the Biesse Supervisory Body

(segnalazioni.odv.biesse@abanet.it) if any irregular or presumed irregular situations occur.

5.3 Facilitation Payments

Facilitation Payments are expressly prohibited, as they represent a form of bribery or extortion. Any type of payment or giving of assets to a Public Officer in order to speed up, encourage or ensure the performance of one of that officer's duties in favour of Biesse is considered illicit conduct.

In certain Countries it is normal practice for Public Officers to request a Facilitation Payment. In any case, Biesse prohibits Facilitation Payments in any part of the world and, in spite of local habits, considers them to be a violation of this Code.

If a request for an "informal" payment as "Facilitation Payment" is received on behalf of Biesse in Countries where this is common and usual practice, the person receiving the request must not comply with it and must inform his or her superior officer or direct superior immediately.

5.4 Funding of Political Parties

In order to avoid the risk that funds directed to political parties or their members be used as an improper means of obtaining or maintaining an advantage, exercising pressure or undue influence, the Company does not allow any payments in favour of political parties or their members.

5.5 Donations

Donations and other givings are allowed, provided they are not made in order to influence the beneficiary in an inappropriate manner or in exchange for a commercial or other advantage for the Company. Donations must satisfy the following principles:

- it must be indicated whether or not they are in line with the approved annual budget;
- all donations must be traceable and adequately and thoroughly documented in writing;
- the beneficiary (body/association/organisation receiving the donation) must be a respectable organisation with a good reputation.

For the purposes of compliance with the Anti-Bribery Laws, all donations and other givings must be approved.

5.6 Sponsorships

All sponsorships, to avoid being considered a concealed means of benefiting a third party in order to obtain an advantage for the Company, must be agreed in a written contract, defining, in particular, the nature and aim of the initiative, and the amount foreseen for the sponsorship.

The beneficiary must agree to comply with the requirements of this Code and with current Anti-Bribery Laws, accepting that the contract may be terminated in the event of violation thereof.

5.7 Free Gifts, Presents, Hospitality and Entertainment

This section defines Biesse's policies regarding the offering and receiving of free gifts, presents, hospitality and entertainment. The guidelines indicated below have the aim of reducing the risk that a free gift or act of hospitality might be seen as a form of bribery. Any free gift, act of hospitality, entertainment and travel expense must respect the guidelines given in the paragraphs that follow.

5.7.1 Public Officers

It must be reiterated that this Code prohibits any giving of free gifts, presents, hospitality and company entertainment to Public Officers.

5.7.2 Private Individuals

Offering or receiving free gifts, company presents, hospitality and entertainment is often a means of showing courtesy and strengthening social relations with the various *stakeholders*, provided these acts have a reasonable value and do not have the aim of exerting an undue influence on the progress of an activity or negotiation.

In that sense, no form of gift or present giving is allowed that might be interpreted even merely as exceeding normal commercial practice or courtesy, or in any case aimed at obtaining favourable treatment in the performance of any activity relating to the Company. This rule - which is binding even in those Countries where offering high value gifts to commercial partners is normal practice - concerns both the gifts promised or offered, and those received, gift being intended to refer to any type of benefit. It must be specified that permitted free gifts are always characterised by their negligible value and, in any case, those allowed and offered must be adequately documented to allow for the prescribed verification. Furthermore, it is expressly forbidden to distribute gifts and presents outside those foreseen by company practice, that is to say, as foreseen by the Code of Conduct. Any form of liberality, whether given or received, aimed at obtaining favourable treatment in the running of any corporate activity is, in any case, prohibited.

Whatever the case, the offering of free gifts, presents, hospitality and entertainment by the Company must be:

- in line with the Anti-Bribery Laws and with applicable local laws;
- of a moderate value, occasional and appropriate to the circumstances;
- given in good faith and according to the rules of good behaviour;
- compliant with generally accepted standards of professional courtesy (e.g. Christmas hamper);

- not made in the form of a payment in cash or cheques;
- notified in advance to the head of the function involved;
- expressly approved by the head of the function involved;
- adequately documented, in order to allow the necessary verifications.

5.8 Relations with Third Parties

Biesse requires that the relations set up with Third Parties while carrying out business activities be based on the principles of traceability, integrity, transparency and good practice found in the Code of Conduct, and that they always be compliant with the legal requirements found in current Anti-Bribery Laws.

When working with Third Parties, it is essential that adequate *due diligence* be carried out regarding the credentials of these individuals and that any potential risks of bribery be identified. Biesse may, in fact, be held responsible for any illicit conduct carried out by a Third Party in the name or on behalf of the Company.

Should any doubts arise regarding the legitimacy of a potential Third Party, before reaching any type of agreement with that party it is necessary to share these reservations with your Direct Superior in order to carry out adequate *due diligence*. When working with Third Parties, the Recipients of this Code must pay particular attention to certain indicators of potential violations of the Anti-Bribery Laws ("**Red Flags**"), which are illustrated in the following section of the Code.

6. Red flags

All Biesse employees and associates are invited to pay the greatest attention, during relations with Third Parties, to certain indicators of potential violations of the Anti-Bribery Laws, as indicated by the British government department (pursuant to the UK Bribery Act 2010) against fraud and bribery ("SFO - Serious Fraud Office").

The following is a non-exhaustive list of the so-called "Corruption Indicators":

- Excessively high cash payments.
- Avoiding internal supplier selection procedures.
- Failure to comply with corporate procedures and/or guidelines.
- Avoiding independent controls on the purchase process and on assessment of suppliers.
- Pressure exerted for payments to be made urgently or in any case earlier than foreseen.
- Payments made through a Third Party residing in another State.
- Inexplicable or inadequately motivated preference for certain suppliers.
- Direct meetings with public or private entities in order to receive advantages in tender

competitions and contract assignment.

- Taking unplanned or unusual decisions when accepting projects or contracts.
- Abuse of the decision-making process or delegated powers in specific cases.
- Accepting contracts that are not advantageous for the Company, both with reference to terms and duration.
- Agreement to issue higher invoices than those agreed formally in the contract, without valid supporting reasons.

7. Information and training

This Code must be brought to the knowledge of all Recipients through its publication on the corporate intranet and on the Company web site. Should any Recipient of the Code require further clarification for full understanding of its meaning, Biesse will provide adequate support on request.

8. Notifications

The employees and associates of Biesse Group and all those acting in the name and on behalf of Biesse are required to notify the Biesse Supervisory Body (segnalazioni.odv.biesse@abanet.it) of any violations of this Code, or of the other internal or external regulations in force.

The Staff of the Biesse Group will not suffer any kind of discrimination on the workplace because of the fact that they have legally and in good faith made notifications relating to compliance with this Code or the Anti-Bribery Laws.

9. Sanctioning System

Failure to comply with the main contents of this Code represents a violation of internal company regulations and is consequently liable to result in application of the Sanctioning System adopted by Biesse. Furthermore, violation of the Anti-Bribery regulations adopted by States is a prerequisite for application of fines and custodial punishment on the transgressor.

