

Ethic Policy 29 January 2021

1. M.E.G.A. S.p.A. approach to being a good corporate citizen.

M.E.G.A. S.p.A. is committed to being a good corporate citizen, taking account of the economic, social and environmental impact of its business and aiming to maximize the benefits and minimize any negative impact of its operations.

1.1. Human rights

M.E.G.A. S.p.A. supports the principles of the United Nations Universal Declaration of Human Rights and is committed to upholding these principles in its policies, procedures and practices. Respect for human rights is and will remain integral to M.E.G.A. S.p.A. operations. We will endeavour to work with business partners who conduct their business in a way that is compatible with our policies of respect for human rights and ethical conduct. We will work with customers to ensure that contractual requirements do not infringe human rights. We will take measures to ensure that the work of our employees does not compromise internationally accepted human rights conventions, whilst recognizing and respecting the diversity in local cultures across the different countries in which we operate.

1.2. The environment

M.E.G.A. S.p.A. will conduct our business with respect and consideration for the environment. M.E.G.A. S.p.A. will strive to minimize our environmental impact through the management of waste, vehicle emissions and energy consumption.

1.3. Local communities

M.E.G.A. S.p.A. is fully committed to supporting and assisting the communities in which operates through a variety of means, including charitable fund-raising, sponsorship of community projects and voluntary work by employees. We conduct our business with respect and consideration for the good of local communities, taking steps to minimize any disturbance as a result of our operations. We will also serve local interests by providing good employment opportunities.

2. M.E.G.A. S.p.A. standards of business practice

M.E.G.A. S.p.A. is committed to high ethical standards in its business dealings to ensure the integrity of its employees and its organization is maintained.

2.1. Bribery and corruption

M.E.G.A. S.p.A. is resolutely opposed to bribery and corruption in whatever form it may take. Gifts or entertainment may only be offered to a third party if they are consistent with customary business practice in the relevant territory, are modest in value and cannot be interpreted as inducements to trade. Where there is doubt, guidance should be sought from the relevant Regional Human Resources, Regional Finance Director or Regional President. No financial or other inducements should be given to third party organizations or to individuals from such organizations in any circumstances, including government agencies and representatives.

Sales of the Company's products and purchases of products and services from suppliers will be made solely on the basis of quality, performance, price, value and/or for the benefit of the Company, and never on the basis of giving or receiving inducements in the form of payments, gifts, entertainment or favours or in any other form. Employees or any member of an Employee's immediate family may not accept gifts of money under any circumstances, nor may they solicit non-monetary gifts, gratuities, or any other personal benefit or favour of any kind from suppliers or customers. Employees and members of their family may accept unsolicited, non-monetary gifts from a business firm or individual doing or seeking to do business with M.E.G.A. S.p.A. only if:

- the gift is of nominal value; or
- the gift is primarily of an advertising or promotional nature.



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Gifts of more than nominal value may be accepted if protocol, courtesy or other special circumstances exist, as sometimes happens with international transactions. However, all such gifts must be reported to M.E.G.A. S.p.A. Manager, who will determine if the Employee may keep the gift, return it, or whether it should more appropriately become Company property.

2.2. Political contributions

M.E.G.A. S.p.A. does not make contributions to political parties.

2.3. Payments to Agents, Representatives or Consultants

Agreements with agents, sales representatives, or consultants must be in writing in Company standard format and must clearly and accurately set forth the services to be performed, the basis for earning the commission or fee involved, and the applicable rate or fee. Any such payments must be reasonable in amount, not excessive considering the practice in the trade, and commensurate with the value of the services rendered. The agent, sales representative or consultant must be advised that the agreement may be publicly disclosed and must agree to such public disclosure. In some countries, local laws may prohibit the use of agents or limit the rate of commissions or fees.

2.4. Other Improper Payments

Payments or offer of benefit of any kind other than those included in standard marketing policies of the Company may not be made to customers or prospective customers as an inducement for them to buy our products. The use of M.E.G.A. S.p.A.'s funds or assets for any unlawful or unethical purpose is strictly prohibited. Any payment which is improper when made by a M.E.G.A. S.p.A. Employee is likewise improper if made by a commissioned agent, consultant, or other third party on behalf of M.E.G.A. S.p.A., where M.E.G.A. S.p.A. knows or has reason to know that the payment to a third party is for any purpose other than that disclosed on the payment documentation. Sales must not be billed at prices, which exceed M.E.G.A. S.p.A.'s normal prices for the product and level of distribution involved, to avoid questions of overbilling and possible rebates.

2.5. Treatment of customers

Mutual trust and confidence between M.E.G.A. S.p.A. and its customers are vital. All employees should strive to consistently deliver service excellence and value for money, meeting customers' expectations and anticipating their changing requirements.

2.6. Internal suppliers

Any business transactions between M.E.G.A. S.p.A. subsidiaries for the supply of goods or services should be based on normal "arm's length" business principles. These principles should cover pricing and other contractual terms and must be as defensible as those to which independent parties might be expected to agree.

2.7. External suppliers

All suppliers are entitled to fair treatment and all potential suppliers should have a reasonable opportunity to win M.E.G.A. S.p.A. business. It is M.E.G.A. S.p.A. policy to pay suppliers on time in accordance with agreed terms of trade. We set high standards for our suppliers in the context of our own ethical policy.

2.8. Competition

M.E.G.A. S.p.A. will always compete vigorously, but in a fair and ethical way. Competitive success is built on providing good value and service excellence. Competitors should not be disparaged. When in contact with competitors, employees will avoid discussing confidential information and no attempt will be made to improperly acquire competitors' trade secrets or any other confidential information. Employees must not discuss pricing strategies or undertake any arrangements or practices which would conflict with the laws applicable to the business concerned.

3. M.E.G.A. S.p.A. approach to corporate governance



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M.E.G.A. S.p.A. is committed to protecting the interests of its shareholders and of the organization through compliance with the relevant legal and regulatory environments and careful management of business risks.

3.1. Compliance with the law

M.E.G.A. S.p.A. will fully comply with all relevant national and international laws and will act in accordance with local guidelines and regulations, including those which are industry specific, governing its operations. It is the responsibility of all managers to ensure, by taking legal or other expert advice where appropriate, that they are aware of all local laws and regulations which may affect the area of the business in which they are engaged, including tax and exchange controls.

3.2. Accounting standards and records

All accounting documentation must clearly identify the true nature of business transactions, assets and liabilities in conformity with relevant regulatory, accounting and legal requirements. No record or entry may be false, distorted, incomplete or suppressed. All Company reporting must be accurate and complete and in compliance in all material respects with accounting policies and procedures. Employees must not materially mis-state or knowingly misrepresent management information for personal gain or for any other reason.

3.3. Falsification of Records

No fraudulent, false or artificial entries shall be made in any of the books or records of the Company nor in any public record for any reason, nor should permanent entries in the Company's records be altered in any way. No payment or receipt on behalf of M.E.G.A. S.p.A. may be approved or made with the intention or understanding that any part of the payment or receipt is to be used for a purpose other than that described in the documents supporting the transaction.

3.4. External reporting

M.E.G.A. S.p.A. businesses may be required to make statements or provide reports to regulatory bodies, government agencies or other government departments. Care should be taken to ensure that such statements or reports are correct, timely and not misleading. Senior management must be made aware of any sensitive disclosure before it is made. Care must also be taken when making statements to the media that information given is correct and not misleading. Enquiries from the media should be referred to company media relations experts and statements should only be made by designated spokespersons.

M.E.G.A. S.p.A. will provide, through the website and through the published annual report and accounts and other statements, appropriate information to enable shareholders to assess our business performance. M.E.G.A. S.p.A. will comply with applicable laws and stock exchange regulations as to the disclosure of information about M.E.G.A. S.p.A.

3.5. Policies and procedures

M.E.G.A. S.p.A. recognizes that there are risks associated with carrying out any business activity. Management is responsible both for ensuring that policies and procedures are in place to manage risks and for complying with those policies and procedures. Employees should ensure that they are aware of the risks associated with their activities and that they comply with policies and procedures in place to manage those risks.

4. M.E.G.A. S.p.A. commitments to its employees

M.E.G.A. S.p.A. is committed to optimizing individual and business performance through employing the best people at all levels and creating an environment in which they want to and are able to contribute fully to the Company's success. To achieve a working environment in which team spirit and commitment to the goals and values of M.E.G.A. S.p.A. are maintained, the Company will ensure that individual employees are treated fairly and with dignity and respect.

4.1. National regulation

In dealing with our employees, we will act in compliance with national regulatory requirements and employers' obligations to employees under labour or social security laws and regulations must be respected.



4.2. ILO Declaration on Fundamental Principles and Rights at Work

M.E.G.A. S.p.A. supports the four fundamental principles in the ILO Declaration. Thus, in accordance with local legislation and practice we will respect freedom of association and the right to collective bargaining, employment will be freely chosen with no use of forced or child labour, and we will not discriminate on the basis of gender, color, ethnicity, culture, religion, sexual orientation or disability.

4.3. Harassment

Harassment can be defined as unwanted behaviour, which a person finds intimidating, upsetting, embarrassing, humiliating or offensive. Conduct involving the harassment (racial, sexual or of any other kind) of any employee is unacceptable. Should an employee believe that he or she has been harassed the matter should be raised with the Human Resources Manager who will arrange for it to be investigated without delay, impartially and confidentially.

4.4. Equal opportunity

M.E.G.A. S.p.A. value all its employees for their contribution to its business and their opportunities for advancement will be equal and not influenced by considerations other than their performance, ability and aptitude. Employees will also be provided with the opportunity to develop their potential and, if appropriate, to develop their careers further with the company.

4.5. Health & safety

M.E.G.A. S.p.A. places the highest priority on promoting the health and safety of employees whilst at work. In particular, M.E.G.A. S.p.A. will constantly review the effectiveness of our methods of operation to best protect those who work in a high-risk environment.

M.E.G.A. S.p.A. is committed to providing a safe and healthy workplace for its employees and for visitors to its premises. We are equally committed to preventing deterioration of the environment and minimizing the impact of our operations on the land, air and water. These commitments can only be met through the awareness and cooperation of all M.E.G.A. S.p.A. employees. We each have a responsibility to abide by safe operating procedures, to guard our own and our fellow employees' health, to maintain and utilize pollution control systems, and to follow safe and sanitary procedures for the disposition of industrial and hazardous waste materials. Specific rules and instructions in each of these areas are published and posted in various places throughout the Company's facilities, and it is the responsibility of each employee to become familiar with them and to observe them. In Italy regulatory agencies exist under country, state or local jurisdiction to ensure compliance with safety, health and environmental protection laws and regulations. It is M.E.G.A. S.p.A.'s policy to comply with both the letter and the spirit of the laws and regulations imposed by these agencies. In keeping with this spirit, employees are encouraged to report to their managers, conditions that they perceive to be unsafe, unhealthy or hazardous to the environment.

4.6. Alcohol and Drugs

The use of alcoholic drinks or intoxicating, addictive or illegal drugs on the job or on M.E.G.A. S.p.A.'s premises is prohibited.

Use of prohibited substances off the job or off of M.E.G.A. S.p.A.'s premises may also be the subject of corrective action if such use impairs the job performance of an employee, the reputation of the Company, or endangers the health or safety of other employees.

4.7. Terms of employment

The businesses and their employees will work towards creating permanent long-term relationships. Employees will be paid for and work hours at least as favourable as the terms established by national legislation or agreements of industry standards.



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4.8. Pre-employment screening and selection

In order to protect the interests of our employees, to comply with Italian Health and safety regulations, and because of the nature of our business, M.E.G.A. S.p.A. will apply rigorous pre-employment screening and selection techniques.

5. Employees' commitments to M.E.G.A. S.p.A.

Employees must avoid situations where appearance of business impropriety exists, even though the circumstances might not otherwise specifically violate this code of conduct or where specific laws, or regulations do not apply.

5.1. Confidential information

Employees must not make use of confidential information obtained through their employment for personal gain, nor disclose such information to any third party during or after their employment. "Confidential information" is either information that has been specifically described as being confidential or is otherwise obviously confidential from the surrounding circumstances. The term "confidential information" does not include information in the public domain or information which the individual concerned is required by law to disclose.

5.2. Conflicts of interest

Every employee has a duty to avoid business, financial or other direct or indirect interests or relationships which conflict with the interests of the Company, or which divides his or her loyalty to the Company. Any activity which even appears to present such a conflict must be avoided or terminated unless, after disclosure to the appropriate level of management, it is determined that the activity is not unethical or improper, does not compromise integrity and is not detrimental to the reputation and standing of the company.

6. Implementation

This Business Ethics Policy must be adopted by all companies as a minimum standard and issued to all M.E.G.A. S.p.A. managers. It will be published on our global intranet and incorporated into future employment contracts where applicable. It will be monitored as part of M.E.G.A. S.p.A. compliance processes. The policy will be reviewed when required.

6.1. Supervisors and Managers

All supervisors and managers are responsible for ensuring this policy is used to guide the actions of employees. They are also responsible for investigating any alleged violations of the policy.

6.2. Board of Directors

The Board of Directors of M.E.G.A. S.p.A. believes management is conducting business in accordance with this policy. The Board upon notification of wilful violations of the policy shall assure that violations will be addressed, that the legal rights of individuals are protected, the Company's legal obligations are fulfilled, and that proper corrective action is taken. The Board will further see that measures are put into place to prevent recurrence of violations.

6.3. Staff complaints and suggestions

Staff can expect that the Company will give due consideration to their constructive suggestions and will provide a considered and objective review of genuine concerns and complaints. Such concerns include fraud, misrepresentation, theft, harassment, discrimination and non-compliance with regulations, legislation, policies and procedures. Concerns must be investigated impartially so that the employee's rights are protected. Employees who have concerns about potential unethical behaviour should advise the Human Resources Manager in the first instance. Employees may do this anonymously if they so wish. To ensure that confidentiality is maintained, employees should not discuss such concerns with colleagues or other third parties, unless specifically authorized or unless it is a legal requirement.

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If the employee is dissatisfied with the response to the concern which he or she has raised, or if the concern relates to a matter of exceptional gravity or sensitivity, he or she can contact the General Manager.

6.4. Compliance monitoring

We monitor, on a regular basis, compliance with this ethics policy, using information reported via the internal/external audit and ongoing management reporting.

6.5. Adherence to policy

Since M.E.G.A. S.p.A. aims to maintain high ethical standards in carrying out its business activities, practices of any sort that are incompatible with the Company's principles and policies are not tolerated. Strict adherence to these principles and supporting policies is a condition of employment in the company. Any action by an employee, which deliberately or recklessly breaches this ethics policy, may result in disciplinary action and where appropriate, criminal proceedings will be instituted.

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