



CODE OF ETHICS

Rev.00

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ZAPI GROUP CODE OF ETHICS

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1. INTRODUCTION

This Code defines the corporate principles that should be followed during any business activity and that must be continuously observed in all partnership, collaboration and commercial relationships. The Code also defines a series of behaviors that are critical to prevent employees and collaborators from committing crimes, along with the behaviors that are clearly considered in contrast with the ZAPI's values.

2. GENERAL GUIDELINES

ZAPI recognizes the importance of its ethical and social responsibilities in relation to commercial and business activities, and commits to operate in compliance with the legitimate interests of its stakeholders and local communities.

ZAPI expects all of its employees to comply with the business rules and principles outlined in this Code. The regulations outlined in the Code aim to protect the integrity of ZAP Group ensuring full compliance with the laws and regulations of all the countries in which it operates.

Failure to comply with the Code may result in disciplinary actions and consequently in the implementation of the sanctions defined in the collective national labor contract.

3. SCOPE

This Ethical Code applies to ZAPI and consequently illustrates the mandatory behaviors expected by all employees. ZAPI also requires all affiliated or controlled companies and main suppliers to fully adhere with this Code. In particular the directors of ZAPI are expected to refer to the principles of this Code when defining the goals of each company of the Group, proposing investments and implementing projects. When carrying out their management activities, managers are expected to refer to the principles defined in the Code, both within ZAPI in order to strengthen the cohesion and reciprocal collaboration at all managerial levels, and externally with all third parties that come into contact with the Group.

This Code is valid in Italy as well as abroad.

4. ETHICAL PRINCIPLES

The sections that follow describe the main ethical principles recognized by the Group, which must be carefully observed by all the parties involved in the Group's business activities in order to safeguard the correct execution, reliability and reputation of the Group itself.

Business Ethics

ZAPI builds trust by always acting with integrity, and maintaining a highest standard of ethical, honest, safe and transparent business practice, in accordance with the Laws.

Each of us has responsibility to ensure that we deliver prudent and superior results that align with our strategy and the needs of our stakeholders.

ZAPI sustains these through socially responsible operations and innovative leadership in its industry.



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ZAPI listens to its customers and deliver a high level of quality and service.

ZAPI's collaborators are responsible for the impact of their actions, behaviors and decisions on fellow employees, customers, ZAPI's overall success, their stakeholders and the communities in which they operate.

Environment

ZAPI supports all good practices to contribute to the highest level of quality of the environment on a long term basis. ZAPI priority is ensuring the safety of ourselves, its co-workers, its community (included supply chain) maintaining environment fundamentals.

ZAPI business approach is addressed to use clean and sustainable energy safeguarding natural resources and reducing environmental impact in production and during product life cycle. Local specific environmental policy is available based on this follow principles.

Human Rights and Working condition

Any action or decision taken by ZAPI is based on maximum impartiality, specifically avoids discriminations, treating all people with dignity, within the limits foreseen by international community and current laws.

ZAPI commits to provide a positive, constructive and dynamic work environment, designed to support diversity and personal skills, opinions and personal views, and to guarantee equal opportunities to all employees.

ZAPI commits to recruit its employees and collaborators using no discriminating procedures, to assess candidates on the basis of their merits, skills and professionalism.

5. BEHAVIOR REGULATIONS

Protection of invested capital, creditors and the market

ZAPI aims to give value to its invested capital, adequately compensating risk, in order to increase the Group's solidity from the perspective of its medium-long term sustainability according to market rules and in accordance with the principles of fairness and transparency. ZAPI ensures compliance with principles of conduct that are designed to ensure the integrity of its invested capital, the protection of creditors and any third parties dealing with ZAPI, regular market progress, the exercise of the functions of public supervisory Authorities and, in general, the transparency and fairness of ZAPI's business in economic and financial terms. False information must not be intentionally communicated either inside or outside ZAPI, whether relating to the parent company, its subsidiaries or external collaborators of the Group.

Confidential information

ZAPI ensures the adequate management and protection of Confidential information by establishing appropriate procedures and keeping a registry of individuals having access to such information. Confidential information includes, but is not limited to, information relating to economic and financial data, projects, acquisitions, mergers and business strategies relating to ZAPI's business.



Media relations and disclosure information

The relations between ZAPI and the media are managed exclusively by formally appointed corporate departments and must be in accordance with the communications criteria established by ZAPI from time to time. The public disclosure of all information (e.g. financial performance, non financial, labour force, health and safety practices, environmental) must be true, accurate, clear, transparent, respectful of individual honor and privacy, coordinated and compliant with corporate policies, applicable regulations and prevailing industry practices.

Anti - corruption

ZAPI condemns all forms of corruption in relation to both public and private parties. No tolerances is allowed for all bribery forms, corruption, extortion and embezzlement. Any business is implemented according to local anti – corruption laws.

Relationships with Customers, suppliers, external collaborators and business partners

ZAPI undertakes to ensure that all of its dealings, including business dealings, with parties operating at national and international levels, customers, suppliers, external collaborators and business partners, are in full compliance with the law and the regulations in force. The selection of suppliers, external collaborators and business partners is based on the principles of objectiveness, expertise, cost-effectiveness, transparency, fairness, and quality of goods or services, and is carried out in compliance with applicable corporate policies.

For suppliers, corporate procedures are implemented to analyze raw materials used into supply chain to avoid contribution to human rights abuses, bribery and ethics violation or negative impact on environment. Specific restricted raw material list is shared to follow environmental regulation.

Relationships with customers are designed to fully meet their needs, with the objective of establishing a strong relationship inspired by the general values of fairness, honesty, efficiency and professional quality. Fair business and competition approach is implemented to avoid improper procedures that could change market condition. ZAPI undertakes to meet the highest quality standards in relation to all of its products sold. Procedures are implemented to detect and reduce risk of production not according to the specification and counterfeit parts use.

Any decision is taken avoiding conflict of interest or favoritism for any company element.

Relationships with the Public Administration

Business dealings and relations with the Public Administration, Authorities and Institutions of the countries in which ZAPI operates, as well as with the employees or anyone acting in the name and on behalf of such Public Administration, Authorities and Institutions (collectively, "P.A."), are conducted in accordance with the law and with the principles of transparency, fairness, loyalty and verifiability. Contacts and relations with the P.A. can be established and maintained only by individuals who have been formally appointed to this end. The following actions cannot be taken, either directly or indirectly:

- to offer business/work/training opportunities, gifts or any benefit or utility to P.A. staff, their relatives or any third parties connected therewith.
- to influence P.A. decisions or to solicit or obtain confidential information.



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- to seek or establish personal relationships of favour, influence or interference, such as to affect the outcome of the relationship, either directly or indirectly.

Relationships with Supervisory Authorities and Protection Authorities

ZAPI undertakes to act in full and strict accordance with the provisions enforced by Supervisory Authorities and Protection Authorities to ensure compliance around the world with all applicable rules relating to its business (export control, re-export of goods, specific restricted destination) offering its utmost collaboration and transparency.

Apply the principle that the Recipients shall not deny, conceal or delay any information requested by the aforesaid Authorities and by other regulatory bodies in their inspectional functions and shall actively cooperate in the course of any preliminary investigations.

Relationships with Judicial Authorities

ZAPI promotes the value of genuine collaboration with Judicial Authorities. Relationships with Judicial Authorities are managed solely by corporate functions entrusted therewith. The Recipients are required to be open and to cooperate as much as possible in the course of any controls or inspections. It is forbidden to take steps to induce an individual who is to be heard by the Judicial Authorities to refrain from doing so or to declare untrue facts or conceal relevant circumstances of which s/he is aware.

Relationships with representative associations

In accordance with the principles of integrity, transparency and genuine collaboration, ZAPI cooperates with political forces and the organized representatives of civil society, and fosters dialogue with trade unions and trade associations, without any discrimination or disparity of treatment, and in accordance with the law.

Gifts & Entertainments

It is not allowed to offer or give gifts or benefits, whether directly or indirectly, to public or private employees, public officials or representatives of governmental agencies in order to influence an act that falls within their duties. In accordance with corporate policies, acts of commercial courtesy, such as complimentary items of modest value, are allowed provided they are not intended to influence independent decision-making and provided, in any event, they cannot be construed, by an impartial third party, as designed to unduly acquire benefits or advantages, and to not embarrass or create any obligations on the part of ZAPI. In any event, the offer of gifts by ZAPI must be expressly approved in each instance by the relevant function manager and duly documented so as to allow for appropriate controls, all in accordance with corporate policies. Whoever receives or is offered complimentary items or benefits that are more than mere acts of commercial courtesy of modest value is required not to accept them and to immediately inform his/her superior and the Board.

Donations and sponsorships

Donations to charitable entities and institutions are allowed only if they are intended to procure social benefits and to demonstrate the social and civil responsibility of ZAPI or for educational purposes, and are regulated by a specific procedure. If approved, ZAPI may provide contributions and sponsorships to support initiatives proposed by public



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and private entities and non-profit organizations, duly established and promoting the values that inspire this Code of Ethics, all in accordance with the law in force and giving adequate publicity thereto.

Protection of competition (antitrust)

The principles of a free market and of competition are two fundamental values of the Group. ZAPI acts in accordance with the requirements of all applicable antitrust rules and undertakes not to damage the image of its competitors or their products.

Intellectual property

ZAPI operates in full accordance with third party industrial and intellectual property rights, and with all laws, regulations and conventions in place around the world which protect such rights. Any conduct that might lead to a violation of a third party's intellectual property rights is forbidden.

Transparency of accounting records and internal record controls

Any activity pursued by ZAPI must be legitimate, consistent, non – misleading, reasonable and adequately recorded and its decision-making/ authorization/ execution/ control process must be open to verification, including ex post verifications. Financial accounts, quality reports, expenses report and other similar documents are requested to be accurately recorded and maintained according to specific good practices and local laws.

Accounts and Financial Statements

ZAPI condemns any conduct that is designed to alter the accuracy and truthfulness of any data or other information contained in its Financial Statements, reports or other corporate communications required by law and intended for members, shareholders, the public, Control Authorities, the Board of Statutory Auditors or Audit Firms. The Group's accounts, in order to meet the principles of truthfulness, completeness and transparency of their data, adequate and complete documents supporting all operations must be kept, so as to ensure: ▪ accurate accounting records for each transaction or activity; ▪ the immediate identification of its features and reasons therefor; ▪ an easy, formal and chronological reconstruction of the activity; ▪ the review of the decision-making, authorization and execution process, and the identification of the various levels of responsibility and control.

Relationships with Revenue Authorities

ZAPI fosters a corporate culture based on compliance with tax rules, ensuring its completeness and reliability and communicating its knowledge at all corporate levels, to establish and maintain a clear and transparent collaboration with Revenue Authorities.

ZAPI condemns all types of money laundering, self-laundering or any conduct designed to hinder the identification of money, goods or other benefits of unlawful origin and undertakes to comply with all applicable rules and regulations, whether they be domestic or international, on anti-money laundering. ZAPI promotes the adoption of precautions to check the reliability of all third parties with which it deals, as well as the lawful origin of the capital and means used in their business with ZAPI.



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Financial dealings

ZAPI undertakes to act in accordance with all rules governing the preparation of financial reports. The Recipients in charge of preparing financial reports are required to ensure that information is always accurate in order to ensure truthfulness in ZAPI's financial dealings.

Conflicts of interest

The Recipients are required to avoid situations or activities that can lead to a conflict with ZAPI's interests or that can interfere with their capacity to make impartial decisions in the best interest of the company and in full compliance with the principles of the Code of Ethics. For example, a conflict of interest arises when a person uses his/her corporate position or information, or business opportunities acquired in the performance of his/her duties, to his/her undue benefit or that of third parties, or when s/he has direct or indirect interests relating to suppliers, competitors, customers, business third parties that are incompatible with his/her obligations toward ZAPI. Any situation that might give rise to a conflict of interest must be promptly communicated to one's superior or to the Supervisory Board in order to establish the steps to be taken to ensure lawful, transparent and fair business conduct. In all circumstances, it is forbidden to participate in the operating or management process in the event of a conflict of interest.

Human Rights

ZAPI respects internationally proclaimed human rights such as, but not limited to:

- The international bill of human rights
- The Core conventions of the International Labor Organization/Organization: conventions numbers 29, 87, 98, 100, 105, 111, 138 and 182
- International Labor Organization/Declaration on Fundamental Principles and Rights at work
- Article 32 of the UN Convention on the Rights of the Child
- OECD Guidelines for Multinational Enterprises
- UNGC Guiding Principles on Business and Human Rights

ZAPI works to reduce the risk of potential human rights violation into any operation related to the Group, internal or with third parties.

This includes all workers: full and part time employees, temporary, migrant, student, contract and any other type of worker.

Child Labor

Child labour is not tolerated. The age of employment for young workers have to be in compliance with local labor laws.

Student workers and young workers are managed according to applicable laws and regulations. For these specific categories, hazardous work and night time or overtime work are not allowed.

Wages and benefits

Any overtime work is compensate according to local laws and regulations. A proper wage statement is provided to the workers with adequate information on compensation.



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Temporary or outsourced labor is managed according to applicable local laws and regulations.

Working Hours and forced labor

ZAPI respects local laws applicable for resting hours and maximum consecutive days of work. Extra work beyond the normal workweek is voluntary if not agreed with workers association.

All works are voluntary on the part of employee. ZAPI doesn't apply any illegal action to force people at work (holding document, asking for fees payment, prison or slavery acting).

Value of Human Resources

ZAPI considers its employees as the company's main asset and a key to its success, and is committed to providing a workplace that is seen by everyone as a place of tranquility, harmony, identification, collaboration and professional growth. Staff management criteria and Staff selection are based on the relationship between the skills, abilities and characteristics required for a position and those of the applicants involved in the selection process, in accordance with corporate policies and in strict compliance with the rules on equal opportunities.

Workplace harassment

With respect to internal and external work relations, ZAPI expects everyone to avoid the occurrence of any type of harassment, including, for example, the creation of a hostile work environment for single workers or groups of workers, the unjustified interference in the work performed by others or placing obstacles or impediments to another worker's professional prospects. Sexual harassment is prohibited, preventing the subordination of decisions regarding someone's career to the acceptance of sexual attentions or proposing private interpersonal relations.

Confidentiality

Any information, knowledge and data acquired or processed in the performance of one's duties, belong to ZAPI, must be considered strictly confidential, must be adequately protected according to the law and corporate policies, and cannot be used, communicated or disclosed, whether inside or outside of ZAPI, other than in accordance with current law. The Recipients must act with the utmost confidentiality so as to protect the assets, including the intangible, technical, financial, legal, administrative, staff management and business assets of ZAPI, in the event of termination of employment or change in an employee's duties, in accordance with the applicable rules and corporate policies. Any information acquired by reason of one's position within the company cannot be used to obtain a personal benefit or in violation of the law or to prejudice the interests of ZAPI.

Privacy and data processing

Any data acquired and managed by anyone acting in the name and on behalf of ZAPI must be processed in accordance with the rules on personal data, information protection and privacy and must be in line with corporate procedures. These principles and rules are transferred to supply chain by specific document.

In the performance of its business, ZAPI takes security measures that are designed to protect its data and IT systems against any unauthorized access and damages, and takes suitable measures to prevent any misuse of



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third party IT systems to which its collaborators might have access in the performance of their duties. In case of employees personal information use a specific approval is requested.

Environment & Safety

ZAPI acknowledges that the protection of all environmental resources is a primary concern. To this end, it is committed to assessing the environmental impact of any present and future business activity and to comply with environmental laws and rules, especially those relating to waste management. Proper safety information is transferred to all employees with effective training. Any hazards (hazardous event) is properly managed with preventive actions, including workers continuous training.

Health, hygiene and safety at work

ZAPI undertakes to promote its workers' health and wellbeing and strictly complies with all rules in force on hygiene and safety at work. ZAPI establishes a policy to ensure the best possible protection of health and safety at work and the prevention of any form of risk both in relation to its employees and third party employees working at ZAPI's facilities. To develop, control and improve health and safety management, the Company formulates a risk assessment document and keeps it updated.



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6. SUPERVISION OF THE COMPLIANCE WITH THE CODE

Compliance with the provisions set forth in this Code is considered an essential part of the contractual obligations foreseen for the Group's employees and for the Group's Collaborators with a current contract. ZAPI undertakes to foresee and implement, with coherence, impartiality and consistency, sanctions proportionate to the actual violation of the Code, pursuant to current laws concerning work relations and applicable national collective labor agreements. Appropriate diffusion channel (include training) is defined locally to all interested parties.

ZAPI has also set-up communication channels to allow its collaborators to report all violations of the Code. Alternatively, collaborators may also report, in writing and anonymously, all actual or suspect violations of the Ethical code to the Boards which will take all the necessary provisions to appropriately protect the identify of the person who has reported the issue, within the limits established by the laws in force ("blowing the whistle" protection).

In the specific case of violations ascribable to the Group's employees, the applicable measures and sanction shall be applied in full compliance with current laws and collective national labor contracts. This Code specifically requires the implementation of a mandatory disciplinary action in the event of failure to comply with the principles it illustrates. The infringement of the provisions of the Code is regarded as an infringement of the trust relationship applicable to the duties of members of corporate bodies and managers, and is therefore subject to all consequences established by the laws in force. The Board must be informed of all measures connected with the infringement of this Code.