



CODE OF ETHICS

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CODE OF ETHICS

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1. PREFACE

Credibility and reputation have an ever increasing value in the international scene in which Asco Filtri works.

Therefore, it's important to clearly describe the common principles, values and responsibilities that should be the guideline for Asco Filtri' s behavior in our relations with the market, with the communities in which we operate, with people who work with us and with anyone who has a legitimate interest in our activities.

These values and principles, implemented in the course of our personal experience and business, reach their maximum expression in our new Code of Ethics.

Knowledge of and compliance with the Code of Ethics by all of us in Asco Filtri become decisive for ensuring the efficiency, reliability and excellence for our company.

Each of us can ask the Management to report violations and proposing improvement actions.

The PresidentA handwritten signature in blue ink, consisting of a long horizontal line with a small loop at the end.

2. INTRODUCTION

Asco Filtri is an internationally oriented company, despite its small size compared to the reference market; its role has still an impact in the economic development and welfare of the people who work or collaborate with the company.

The complexity of the situations in which Asco Filtri is operating and the need to take into account the interests of all legitimate stakeholders as regard as the corporate business ("Stakeholders"), strengthen the importance to clearly strengthen the necessity to define the values and responsibilities that Asco Filtri recognizes, accepts, shares and assumes, thus contributing to a better future for all.

For this reason, it was prepared this Code of Ethics, whose compliance by the Directors, Management and Employees, as well as all those who work in Italy and abroad for the achievement of the corporate purposes, each within its own functions and responsibilities, is of paramount importance - also pursuant to and for the effects of the Law regulations standards- for efficiency, reliability and reputation of Asco Filtri. These factors are crucial for the corporate success and the improvement of the environment in which it operates.

Asco Filtri undertakes to promote the knowledge of the Code of Ethics for those who work or collaborate with the company and the Stakeholders and for their constructive contribution to its principles and contents.

Asco Filtri shall in any case monitor the compliance with the Code of Ethics, providing adequate tools and procedures for information, prevention and control, and ensuring the transparency of operations and behaviors, intervening, if necessary, by taking corrective action.

Management is appointed as the guarantor of the Ethics Code

The Code of Ethics is disclosed to all those with whom Asco Filtri has relations.

3. GENERAL PRINCIPLES

The commitment of all the people who interact directly or indirectly with Asco Filtri must include compliance with the law and regulations, statutory provisions, ethical integrity and fairness.

The conduct of business and corporate activities of Asco Filtri must be conducted within a framework of *transparency, honesty, fairness, good faith* and in compliance with the completion rules and regulations.

While conducting its business activities, Asco Filtri refers to the protection and promotion of *human rights*, which are inalienable prerogatives and a necessary foundation for the establishment of companies based on principles of equality and solidarity and the protection of civil and political, social, economic and cultural rights.

It repudiates all forms of discrimination, corruption, forced or child labor.

It shall in particular take into account the recognition and safeguarding of the *dignity, freedom and equality* of human beings, *the protection of labor e and trade syndicated union rights, health, safety, the environment and biodiversity*, as well as the system of values and principles concerning transparency, energy efficiency and sustainable development, as stated by International Institutions and Conventions.

All personnel involved in the organization of Asco Filtri, without distinction or exception, shall conform their actions and conduct to the principles and contents of the Code within their own functions and responsibilities, thus recognizing that the compliance is fundamental for the quality of its work.

Interpersonal relationships, at all levels, must be based on criteria and behaviors of *honesty, fairness, cooperation, loyalty and mutual respect*.

Under no circumstances, the conviction of acting for the benefit or in the interest of Asco Filtri can justify, even in part, the implementation of behaviors contrary to the principles and contents of the Code of Ethics.

4. BEHAVIOR IN THE MANAGEMENT OF BUSINESS ACTIVITY

4.1 *Inspirational values of our behavior*

While conducting its business, Asco Filtri is inspired by and complies with the principles of loyalty, fairness, transparency, efficiency and an open market, regardless of the importance of the deal.

All the actions, operations and negotiations carried out and, in general, the conduct of the staff working with the organization of Asco Filtri, while doing its work, are inspired by the highest principles of fairness, completeness and transparency of information, the legitimacy under the formal and substantial aspect, and the clarity and truthfulness of the accounting reports according to the applicable regulations.

All activities of Asco Filtri must be performed with the utmost care and professional rigor and with the responsibility to act to protect the prestige and reputation of Asco Filtri.

The corporate purpose, the proposal and implementation of projects, investments and actions must aim at increasing over time the patrimonial, managerial, technological and cognitive values as well as the creation of value and welfare for all *Stakeholders*.

Bribes, illegitimate favors, collusive behaviors, direct and/or indirect requests for personal benefits or carrier ones are prohibited without any exception.

It is prohibited to pay or offer the payment, directly or indirectly, of money, material benefits and other advantages of any kind to third parties, representatives of governments, public officers and public or private employees, to influence or remunerate the actions of their office.

Commercial courtesy, such as gifts or hospitality, is only allowed when its value is low and when they do not compromise the integrity or reputation of either party and cannot be construed by an impartial observer as aimed at gaining undue advantages.

In any case, these expenses must always be authorized by the Management and adequately documented.

It is forbidden to accept money from people or companies that have or intend to have business relations with Asco Filtri. Anyone who receives proposals of gifts or favors or hospitality not considered as commercial courtesy of small value, or at the request therefore by third parties, shall reject them and immediately inform its superior, and the Management.

Asco Filtri properly informs all third parties about the commitments and obligations imposed by this Code. It requires third parties to comply with the principles of the Code relevant to their activities and takes proper internal actions and, if authorized, external actions in the event of failure by third parties.

4.2 *Relations with Shareholders and with the market*

The internal structure of Asco Filtri and the relationships with the parties directly and indirectly involved in the activities are organized according to rules able to ensure management reliability and a fair balance between the powers of Management and the interests of the Shareholders.

As part of the initiatives aiming at maximizing the Shareholder's value and ensuring the transparency of management, Asco Filtri defines, implements and progressively adjusts a system of rules of conduct concerning both its own organizational structure and the relations with the Shareholders and third parties, with the awareness as to the fact that the company's capacity to give itself rules of efficient and effective operation is a fundamental tool for strengthening its reputation in terms of reliability, transparency and trust.

4.3 Relationships with Competitors

In the relationship with the Competitors and, more generally, with the market, Asco Filtri is inspired by the principle of free and fair competition. Asco Filtri is actively involved in a free market economy and a free and competitive business system that rewards work and innovation.

Consequently, Asco Filtri entails complying with all applicable laws on anti-trust and regulating the competitors of both the Italian State and the individual Countries where Asco Filtri operates. In particular, Asco Filtri refrains from anti-competitive practices such as undertaking agreements with the competitors to fix or define prices, or divide markets, products, territory or customers; receive or share information about prices, costs or profit margins; resell of its own products at set prices.

4.4 Relationships with external Partners and Consultants

Asco Filtri's staff and partners must therefore, in the performance of their duties, comply with existing competition protection rules and refrain from providing orders and/or directives that are in conflict with the applicable law.

While assigning professional duties to third-party consultants and/or partners, Asco Filtri complies with the obligation to comply and let others comply all existing internal procedures in this field; to inspire the principles of competence, economy, transparency and fairness, also assessing the moral and professional integrity of professionals involved; to ensure that there are no situations of incompatibility and/or conflict of interest; to engage the party in compliance with the ethical principles contained in the Code and to ensure that all remuneration and/or sums paid under any title are adequately documented and are reasonable and, in any case, proportionate to the activity carried out, also taking into account market conditions.

4.5 Relationships with Institutions and local communities

Through its personnel, Asco Filtri actively and fully cooperates with the competent authorities.

The staff of Asco Filtri, as well as its external collaborators whose actions may somehow be referred to Asco Filtri, must have behaviors towards the Public Administration characterized by fairness, transparency and traceability. No member of the staff or partner may offer or promise money, other goods or improper economic benefits or favors to officials or employees of the Public Administration or to persons acting on behalf of a Public Administration or their relatives, both in Italy and abroad, unless they are low-value gifts or utilities consistent with Asco Filtri's policy in terms of expense and, in any case, in full compliance with the law. It is

also forbidden to offer or accept any object, service, performance or favor of value to obtain a more favorable treatment in relation to any relationship with the Public Administration.

These relations are reserved exclusively to the competent offices and positions, in compliance with their business roles.

It is absolutely forbidden to make, induce or encourage false statements to Authorities.

Asco Filtri does not provide contributions, directly or indirectly, in any form, to parties, movements, committees and political and trade union organizations, to their representatives and candidates, except those provided by specific regulations.

The activities of Asco Filtri are performed in the awareness of the social responsibility that the company has, in the belief that the capacity for dialog and interaction with civil society are important values to be respected.

Asco Filtri respects the cultural, economic and social needs of local communities in which it operates and is committed to contributing, where possible, to their fulfillment, refraining from actions that may hinder or prevent the exercise of such rights.

4.6 Relationships with customers and suppliers

Asco Filtri pursues its business success on markets by offering quality products and services at competitive conditions and in compliance with all the rules protecting fair competition.

Its business policies are aimed at ensuring the quality of goods and services, safety and compliance with the precautionary principle.

Therefore, the staff of Asco Filtri is required to:

- follow the internal procedures for managing customer relationships ;
- supply, with efficiency and courtesy, within the limits of contractual provisions, quality products meeting the reasonable expectations and needs of customers;
- provide accurate and complete information on products and services and be truthful in advertisements or otherwise, so that customers can make informed decisions.

Asco Filtri is committed to look for suppliers and external partners with suitable professionalism and commitment to share the principles and contents of this Code of Ethics and promotes the building of lasting relationships for the progressive improvement of performances while protecting and promoting the principles and contents of the Code.

In relationships regarding tenders, procurement and, generally, the supply of goods and/or services and of external collaborations (including consultants, agents, etc.), the staff of Asco Filtri is required to:

- follow the internal procedures for the selection and management of relations with suppliers and external partners and abstain from excluding any person in possession of the requirements from the possibility of bidding for the supply;
- implement, in the selection, only objective evaluation criteria's based on established and transparent conducts;
- obtain the cooperation of suppliers and external partners in guaranteeing the continuous satisfaction of the customer needs in terms of quality, cost and delivery times;

- include in contracts the confirmation to have read the Code of Ethics and the express obligation to comply with the principles contained therein;
- comply with and demand compliance of the contractual conditions;
- maintain a frank and open dialog with suppliers and outside partners in line with good commercial practice, immediately report the possible violations of this Code to the superiors and the Company;

The fee to pay must be exclusively commensurate with the performance shown in the contract and any payments will not in any way be made to a person other than the contractor or in a third Country other than the parties' country or the Country where the execution of the contract takes place..

4.7 Staff policies

People are a main component in the company's life.

The dedication and professionalism of the Management and employees are a fundamental value and condition for achieving the corporate's business goals.

Asco Filtri intends to promote the development of the skills and competences of the Management and its employees, so that in this framework, the individual finds full expression in the realization of their potential, and intends to safeguard the working condition as to protect the psychophysical integrity of the worker with the utmost respect for its dignity.

They are not allowed undue pressure or distress and they are promoted working conditions that enable the development of the personality and professionalism of the person.

Asco Filtri intends to offer, in full compliance with the applicable law and contractual provisions, all workers the same job opportunities, making sure that each of them receives a fair regulatory and wage treatment exclusively based on their merit and skills, without any type of discrimination.

The competent departments shall:

- implement in any situation merit and ability criteria (and anyhow strictly professional) in all decisions concerning human resources;
- in each case select, hire, train, compensate and manage the human resources without discrimination of any kind;
- create a working environment where personal traits or beliefs do not give rise to discrimination and where it is promoted the serenity of all staff.

Asco Filtri hopes that its staff, at any level, cooperates in maintaining a general climate of mutual respect of the dignity, honor and reputation.

The company will intervene to prevent interpersonal behaviors that can be considered offensive, discriminatory or abusive.

4.8 Protection of the Environment and Safety at Workplace

Asco Filtri works to preserve the environment and protect the safety and health of its employees. The activities of Asco Filtri must be conducted in accordance with the agreements

and international standards and the laws, regulations, administrative practices and national policies of the countries in which it operates relating to the protection of the health and safety of workers, the environment and public safety.

Operational management must aim to advanced criteria of environmental protection and energy efficiency, pursuing the continuous improvement of health and safety at workplace and the environmental protection.

The staff of Asco Filtri, as part of its duties, actively participates in the process of risk prevention, environmental protection and public safety and healthcare and safety for itself, its colleagues and third parties.

5. INSTRUMENTS OF IMPLEMENTATION OF THE CODE OF ETHICS

5.1 *Internal control system*

Asco Filtri is committed to promoting and maintaining an adequate internal control system, to be understood as a set of all the necessary or useful tools for addressing, managing and checking the corporate business activities with the purpose of ensuring compliance with the laws and company procedures, intended to for protect the company's assets, to manage efficiently and effectively its activities and to provide accurate and complete accounting and financial information.

The responsibility for implementing an effective internal control system is shared at every organizational level; consequently, all the staff, in accordance according to its functions and responsibilities, is committed to define and actively participate in the proper operation of the internal control system.

Asco Filtri promotes the dissemination, at every level of its organization, of a culture and procedures characterized by awareness of the existence of such controls; consequently, the Management first and all the staff in any case are required to contribute to and participate in the internal control system and, with a positive attitude, to involve their colleagues .

Everyone is held responsible for the company's assets assigned (tangible or intangible) that are instrumental to the activity carried out; no employee can make, or let others make, improper use of the assets assigned and the resources of Asco Filtri.

They are prohibited without exception practices and attitudes linked to the perpetration or to the participation in the perpetration of fraud.

5.2 *Conflicts of interest*

Asco Filtri recognizes and respects the right of its employees to take part in investments, business or other activities outside those carried out in the interest of Asco Filtri, provided that such activities are permitted by law and consistent with the obligations assumed towards Asco Filtri, and subject to the obligations of loyalty and unfair competition as referred to in Article 2105 of the Civil Code.

The Management and employees of Asco Filtri are required to avoid and report any conflicts of interest of financial nature that may arise between personal and family and their tasks and duties within the company.

In particular, everyone shall report any specific situations and activities in which such person or, as far as it knew, his/her relatives or the like are holders of economic and financial interests involving any suppliers, customers, competitors, third parties contractors, or the relevant parent or subsidiary, whether they perform corporate administration or control or management functions therein.

Also to avoid the use of its position within the company, or any information or business opportunities acquired during one's job, for its undue advantage or the advantage of third parties.

In any case, the Management and employees of Asco Filtri are expected to avoid all situations and all activities that may create a conflict with the company's interests or that may interfere with their ability to take on, in an impartial way, decisions in the best interest of the company and in full compliance with the principles and the Code of Ethics.

Any situation that may constitute or lead to a conflict of interest shall be immediately reported to the superior or the Management.

As a result, the subject involved shall abstain from taking part in the operational/decision process and its superior or the Management shall:

- identify the operational solutions to safeguard, in the specific case, transparency and fairness of behaviors in the performance of the activities;
- transmit the necessary written instructions to the parties concerned.

5.3 *Transparency of the accounting records*

Accounting transparency is based on the truthfulness, accuracy and completeness of the basic information for the relevant accounting records. Each member of the corporate bodies, of the Management or employee shall cooperate, within its powers, so that aspects of operations are shown accurately and promptly in the accounting records.

It is forbidden to implement conducts that may adversely affect transparency and traceability of the financial statements reporting.

For each operation, records shall include adequate documentation supporting the work done, in order to allow:

- an easy and punctual accounting entry;
- the identification of different levels of responsibility and division of tasks;
- the accurate reconstruction of the transaction so as to reduce the likelihood of any material or interpretative error.

Each record shall reflect exactly what it is shown by the supporting documentation. Everyone must ensure that the documentation be easily traced and filed according to logical criteria.

Anyone in the organization of Asco Filtri who becomes aware of any omissions, forgery, negligence in accounting records or in the documents on which accounting records are based, is required to report the facts to its superior or the Company.

5.4 Confidentiality and policy management

The activities of Asco Filtri constantly require the acquisition, storing, processing, communication and dissemination of information, documents and other data regarding negotiations, administrative proceedings, financial transactions, know-how (contracts, reports, notes, studies, drawings, images, software, etc.) that, due to contractual agreements, cannot be openly disclosed, or whose disclosure may be detrimental to the corporate interest. This information and know-how are a very important resource for Asco Filtri whose disclosure needs to be protected. Without prejudice to the transparency of the activities undertaken and the information requirements imposed by the provisions in force, the staff is required to ensure the confidentiality of any news, document and data acquired by virtue of the performance of its work task/job.

The staff recognizes that the information, knowledge and data acquired or processed during or through the execution of their jobs are in all respects owned by Asco Filtri and, therefore, can only be used for the purpose for which they were communicated or, in any event, in the sole interest of Asco Filters.

In particular, the staff undertakes:

- not to divulge it in any way to third parties, even partially without the express written consent of their superior, and, in any case, by obtaining a written undertaking from the third parties that guarantees the implementation of appropriate measures to keep it secret;
- to maintain absolute confidentiality for a period of two years from the date of communication;
- return or destroy any document relating to the above mentioned data, upon termination of the Asco Filtri relationship.

Asco Filtri is committed to protect any information/data concerning its staff and third parties, generated or acquired within its business relationship and dealings, and to avoid any misuse of such information.

Asco Filtri intends to ensure that any personal data processed within its structures complies with the fundamental rights and freedoms, and the protection of the dignity of those concerned, as required by the current regulations.

The processing of personal data must be carried out lawfully and fairly and, in any case, it is only collected and stored data required for specific, explicit and legitimate purposes. The data shall be kept for a period of time no longer than the one necessary for the purposes of its collection.

Asco Filtri also agrees to take suitable and preventive safety measures for all databases in which personal data are collected and stored in order to avoid risks of destruction and losses or of unauthorized access or not allowed processing.

The staff of Asco Filtri must:

- acquire and process only data that is necessary and adequate for the purposes directly related to their functions and responsibilities;

- acquire, process, store and archive the data so as to prevent the unauthorized access by others;
- represent the data so that the subject with access authorization may easily get an accurate and truthfulness description;
- communicate data within the frame of defined procedures or with permission of the superior.

6. SCOPE AND REFERENCE POINTS

6.1 *Knowledge and application feedbacks*

The principles and contents of the Code apply to all the staff and to the business activity of Asco Filtri.

The Directors and Management must be the first to comply with the principles and contents of the Code, assuming responsibility within and outside the company and strengthening trust, cohesion and team spirit. Moreover, with their behavior must set an example for their employees who must be encouraged to comply with the Code and to make questions and suggestions on any specific provisions.

To achieve full compliance with the Code, any person may address the Company directly.

Each employee, collaborator, partner and consultant of Asco Filtri is expected to know the principles and contents of the Code as well as the applicable procedures governing their operations and responsibilities.

All Asco Filtri personnel is required to comply with the laws and regulations in force in the Countries in which they operate and to know and comply with the rules contained in this Code, conforming to its ethical standards. In particular, Asco Filtri's staff are obliged to:

- maintain a responsible behavior towards the Company and third parties, in particular with the principles of professionalism and professional diligence;
- refrain from any conduct contrary to such principles, contents and procedures;
- carefully select, to the extent applicable, its personnel and instruct them to fully comply with the Code;
- require any third parties with whom Asco Filtri interacts to confirm that they know the Code;
- immediately report to its superiors or to the Management any remarks or information concerning any possible violation or request to violate the Code;
- collaborate with the Company in ascertaining any violations;
- take prompt corrective measures whenever necessary and, in any case prevent any type of retaliation.

6.2 Reference points and internal monitoring

Asco Filtri undertakes to promote:

- the widest dissemination of the principles and contents of the Code among its staff;
- the availability of any input as well as any possible clarification tools necessary for the interpretation and implementation of the Code as well as for updating the Code in order to adjourn it in accordance with the new civil sensibility and relevant regulations;
- the performance of controls check-ups on any notice of violation of the principles and contents of the Code or of the covered procedures;
- the objective assessment of the facts and the subsequent implementation of appropriate sanctions in the event of a proven violation
- that no one may suffer any discrimination and/or retaliation of any kind for having provided information on possible breaches/violations of the Code or of the contained procedures.

6.3 Updating

The revision of the Code has been approved by the Board of Directors of Asco Filtri, upon proposal of the CEO and after hearing the Board of Statutory Auditors.

6.4 Contract value

Compliance with the Code's rules is an essential part of the contractual obligations of Asco Filtri under and pursuant to the applicable law.

The violation of the principles and contents of the Code may be considered a breach of the primary obligations of the employment relationship or a disciplinary offense, with its subsequent legal consequences, also with reference to the continuance of the employment relationship. In addition, it can lead to compensation for damages arising therefrom.

6.5 Penalty regime

The violation or the failure to comply with the principles and contents of the Code is a disciplinary offense, punishable according to the procedures for disputing violations and the definition of the applicable penalties provided for by the National Collective Labor Agreement applied within the company, in compliance with the provisions set forth in Art. 7 of the Workers' Statute. This disciplinary system has been configured in order to strictly comply with all the applicable legal provisions on employment. There are no procedures or sanctions other than those codified and covered in collective agreements and union agreements.

The National Collective Labor Agreement includes a wide range of sanctions able to modulating, based on the severity of the offense, the penalty to be applied, and can even question the continuance of the employment relationship and lead to compensation for damages resulting from the unlawful conduct.