



ethical conduct

FOR METATRON EMPLOYEES

**HANDBOOK OF ETHICAL CONDUCT
FOR METATRON EMPLOYEES**

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1) MISSION

This Handbook is dedicated to an obligation that Metatron deems of paramount importance: the ethical conduct.

By clearly stating the obligations and responsibilities of its supervisors, managers and all employees, Metatron and its subsidiaries demonstrate uncompromising ethical standards in all of their dealings with government institutions, customers, suppliers, public and interpersonal relations inside the Company.

Metatron is aware that the integrity of the Company grounds on the honest behavior of its employees and the Company ensures the straight and respectful adherence to the highest ethical standards.

2) SCOPES

The diligent observance of the laws and regulations is a requirement that does not admit any exception and the same concept applies to the true observance of the Company policies and practices. However, the rules cannot guarantee an ethical conduct by themselves only; that is why the purpose of this Handbook is highlighted by two main pillars:

- To affirm in a comprehensive statement the ethical standards requested to all the Company employees.
- To encourage all the employees to put the applicable ethical standards into daily practice.

3) DEFINED RESPONSIBILITIES

- The **Company** undertakes to:
 - Provide all the employees with clear guidelines on matters of everyday business conduct.
 - Implement the principles contained in this Handbook of Ethical Conduct.
 - Distribute this Handbook to all the employees.
 - Ensure that all the employees are aware of and understand the Code also through communication and training programs.
 - Provide continuing counsel on Company policies and procedures to all the employees.
 - Enforce compliance with the Code.
 - Assure that there will be no monetary reward for reporting an alleged violation of the Code or of the Company policies or procedures.
 - Require all supervisors and managers to implement and comply with the Code.

- The **Supervisors/Managers** commit themselves to:
 - Ensure that all current and new employees under their supervision receive a copy of this Handbook, are trained in its meaning and application, and sign and return the Acknowledgement Receipt on the last page of this Handbook. The Acknowledgement will be maintained in the employee's personal file.
 - Periodically review the Code with the employees under their supervision and ensure that "refresher" programs are provided as necessary.
 - Direct any inquiries concerning the Code to the Ethics Official, in the person of the Human Resources manager, and ensure that the employee's concern has been addressed.
 - Enforce the requirements of the Code and the Company's policies and procedures which support the Code.
- The **Employees** are required to:
 - Review their knowledge and understanding of the Code regularly.
 - Uphold the Code, policies, procedures and practices that support them in their daily business conduct.
 - Contribute to a workplace environment that is conducive to the maintenance of the Code.
 - Seek help when the proper course of action is unclear or unknown.
 - Remain alert and sensitive to situations that could result in actions by any employee that are illegal, unethical, in violation of the Code or the policies and procedures that support the Code, or are otherwise improper.
 - Encourage fellow employees to consult with the Ethics Official when they appear to be in danger of violating the Code or the Company policies and procedures.
 - Report actual or perceived violations of the Code or the Company policies and procedures for appropriate action.

4) HANDBOOK OF ETHICAL CONDUCT FOR METATRON EMPLOYEES

4.1) General Ethical Standards

Set forth below are the general standards that shall be met by all the employees. However, these standards are not necessarily the only obligations that apply to the employees' conduct. In general, all the employees shall take care to avoid any conduct that could reasonably appear to be improper or might injure the Company's reputation for honesty and integrity in its activities. If in doubt, the Ethics Official shall be consulted by the employee.

- **Compliance with Laws, Rules and Regulations**

The Company is strongly committed to managing its business affairs with honesty, integrity and in full compliance with all the applicable laws. No employee of the Company is authorized to commit an illegal or unethical act, or to instruct others to do so, for any reason. If a law conflicts with a particular action or policy prescribed by this Code, the law will prevail; if a local custom, industry practice or previous company policy conflicts with this Code, the Code prevails. Do not hesitate to ask the Ethics Official for advice before making any decision about which you are uncertain.

- **Conflict of Interest**

No employee can have a personal, business or financial interest that is incompatible with the loyalty and responsibility owed to the Company. Although it is not possible to identify every particular activity that might give rise to a conflict of interest, some practices and circumstances that may result in conflicts are described below:

- **Dealing with Suppliers and Customers**

Employees should be motivated to acquire goods and services and make transactions for the Company on the most favorable terms to the Company. Disclosure shall be made to the Company if an employee or any of his/her immediate family members has an ownership interest in a supplier or customer business, or is performing services of any kind for, or is otherwise compensated by, such a business. Ownership of less than 5% of the stock of a public company is acceptable.

- **Dealing with Competitors**

Similarly, disclosure shall be made to the Company if an employee or any of his/her immediate family members has an ownership interest in a competitor's business or is performing services of any kind for, or is otherwise compensated by, a competitor. Ownership of less than 5% of the stock of a public company is acceptable.

- **Outside Consulting and compensation from others**

A Company employee, if asked to serve as a director or consultant of another business, shall first receive clearance from Metatron Board of Directors.

An employee or member of his/her immediate family shall not accept compensation, loans, entertainment, gifts of more than nominal value, commissions, property or anything else of personal, financial or other advantage from outside parties in connection with any transactions in

which the Company might have an interest, without making full disclosure to the Company. This policy does not apply to personal loans from a recognized lending institution made in the ordinary course of business on usual and customary terms.

- **Reporting of a Potential Conflict of Interest**

In case of a potential conflict of interest, said situation should be reported to the supervisor or the Ethics Official. Any reported potential conflicts of interest will be evaluated by the Board of Directors, which will determine whether a conflict of interest exists and is potentially damaging the Company or is in violation of a law.

- **Other Opportunities Resulting From Employment**

The acquisition, by an employee or his/her immediate family members, of an interest or other financial advantage in real estate, patent rights, securities, profit opportunity or other right or property which results from or is directly connected with his/her employment, shall be disclosed to the Company.

- **Proprietary Data**

The Company's trade secrets and proprietary data are parts of the Company's valuable intellectual property. These include technical, financial, operating, marketing and administrative information in many forms. The protection of their confidentiality is vital. A Company employee shall not use such information for personal benefit or for the benefit of anyone other than the Company. Furthermore, an employee shall not disclose or make public such information except with the authorization of the Ethics Official or Board of Directors. This restriction on disclosure to others applies to the Government and to prime contractors, subcontractors and suppliers, as well as to the general public. Whether inside or outside the Company and its facilities, an employee shall take reasonable precautions to protect such information from inadvertent disclosure. The Company and its employees may, from time to time, receive or have access to trade secrets or proprietary data of a government agency, other corporations and others. Employees shall handle these in accordance with the agreements concerning their use or disclosure, with the same care and under the same restrictions as if they were the Company's trade secrets or proprietary data. Furthermore, the Company employees shall not disclose to other Company employees, or use for the benefit of the Company, trade secrets and proprietary data of their former employer.

- **Accounting Systems, Books and Records**

The Company policy prescribes that all its books and records fairly and accurately reflect all the transactions, acquisitions and dispositions of assets in reasonable detail and conform both to the applicable legal requirements and to the Company systems of internal control. Books and records will be maintained in accordance with the accounting principles generally accepted in Italy and other countries. No false, artificial or misleading statements or entries shall be made in the Company books and records including, but not limited to, time cards, accounts and financial statements. No unrecorded off-the-books or “slush” funds or secret assets of any kind shall be maintained for any purpose whatsoever.

- **Corrupt practices and illicit payments – Money Laundering Prevention**

No employee shall promise, offer or make any payments in money, products, or services, either directly or indirectly, to members of the national or foreign governments in order to induce favorable business treatment or to affect governmental decisions in violation of national and international laws against corruption, with particular reference to the OECD Convention on Combating Bribery of Foreign Public Officials in International Business Transactions, of OECD Guidelines and the American legislation against the corruption of foreign officials (Foreign Corrupt Practices Act “FCPA”).

Metatron does not allow any corruption manner and means, be it of acceptance or offer, aiming at obtaining improper commercial advantages towards other parties, like public officers, representatives of foreign organizations, legal entities, individuals or other persons contemplated by the applicable laws. The accounting procedures of the Company have to comply with the rules of the above mentioned conventions, guidelines and legislations.

- **Antitrust and Competition Laws**

Metatron commits to observe the laws regulating competition and any other law in force dealing with antitrust and consumer protection.

Equity, transparency and correctness in dealing with customers and suppliers are some of the principles on which the Company action is based, as well as competing independently and incisively in a challenging market.

Executive officers, managers and all the employees shall not enter any understanding, agreement or plan and abstain from any other kind of practice, such as conditioned agreements and oligopolistic trusts, in violation of the antitrust laws.

The employees shall also not exchange or discuss with a competitor prices, terms or conditions of sale or service, or other competitive information, nor engage in other conducts violating the law. If an employee identifies what might be an antitrust/anti-competition problem, he/she should promptly notify the Ethics Official.

- **International Business**

- **Embargo and Export Controls**

The Company undertakes to comply with the national and international laws regarding embargoes and each employee involved in international sales should be aware of the various export embargoes to certain countries, since the failure to adhere to such laws could result in the loss of export trading rights for the company or one of its divisions or in criminal penalties for employees.

- **Foreign Corrupt Practices**

No employee shall promise, offer or make any payments in money, products, or services, either directly or indirectly, to any foreign government employee in order to induce favorable business treatment or to affect governmental decisions in violation of the Foreign Corrupt Practices Act (“FCPA”) or other Italian or foreign laws.

4.2) ETHICS IN THE RELATIONSHIP WITH THE EMPLOYEES

- **Child labour and hard labour**

Metatron rejects any form of child labour by prohibiting the hiring of underage persons, as fixed by the laws in force where the Company operates and, in any case, of persons which are younger than fifteen years old. The Company undertakes not to establish or maintain business relationships with suppliers using child labor and deems the protection of minors as fundamental, hence formally committing for guaranteeing its support in case of non-observance of such prohibitions.

- **Freedom of Association**

Metatron guarantees the right to its employees – with no distinction, preventive authorization, ties or partisan conditioning – to set up a trade union or political party of their own choice, as well as become members of such organizations.

During the negotiations with the trade unions representatives, Metatron commits to maintain a constructive conduct and approach.

- **Equal Opportunities**

Metatron commits to a policy of equal employment opportunity so as to assure that there shall be no discrimination or harassment against an employee or applicant on the grounds of sex, age, religion, race, social class, disability, ethnic and national origin, affiliation to workers associations (including trade unions), political affiliation, sexual orientation or any other personal

characteristic. This policy relates to all the phases of employment, including recruitment, hiring, placement, promotions, transfer, economical treatments (including rewards, benefits, etc.) and staff reduction. Such activities are carried out with due respect to the person and by assessing that the candidates possesses the necessary qualifications, knowledge and experience for fulfilling the tasks required.

- **Anti-Harassment**

Sexual harassment is explicitly prohibited. This policy covers all the personnel actions in any job category and at any level.

- **Wages and Working Hours**

Metatron complies with the compulsory work rules by ensuring the constant and regular payment of wages and salaries. The Company adopts salaries and compensations fully complying with the laws in force, clearly and regularly indicated in the interest of the workers. As to the working hours, Metatron complies with what is established by the laws in force.

- **Hiring and Promotions**

The employees can neither accept rewards, in form of goods, money or other benefits, nor press or carry out any kind of activity aiming at hiring, transferring or promoting other people.

- **Company Assets**

Protecting the Company assets against loss, theft and misuse is the responsibility of every employee. Any suspected theft, fraud or inappropriate use of the Company assets should be reported to the Ethics Official. Assets may only be used in accordance with the Company policies. Assets may not be sold, loaned, given away or disposed of without proper authorization.

- **External Activities**

Managers and employees cannot take up continuous entrepreneurial activities that impede or compromise the fulfillment of the Company tasks and obligations. Any service or other business relationship can be entered by managers or employees only upon the preliminary and written authorization of their own supervisor.

- **Obligations**

This Handbook and its ethical principles and instructions are an integral and unavoidable part of the business relationship between Metatron and every single employee; the latter is required to comply with said principles after reading and fully understanding them, also following an adequate training

whenever necessary. Every employee is also requested to promptly report any and all violation to the ethical principles stated in this Handbook and cooperate to all the further investigations aiming at verifying that such violations actually took place. The non-observance of this Handbook's contents can be subject to appropriate sanctioning measures.

5) HEALTH, SAFETY AND ENVIRONMENT

- **Health and Safety on the Work Place**

Metatron promotes the observance of all the laws and regulations regarding the health and safety of its employees on the work place and encourages each worker to contribute to maintaining a safe and healthy work place.

- **Environment Protection during the Manufacturing Process and Environmental Impact**

Metatron adopts all the appropriate measures for limiting the impact of its activities on the environment, in line with the applicable rules and the best known Company procedures. The Company also engages to put into practice all the measures aiming at sensitizing the awareness and respect of the Company staff in relation to environmental issues, hence developing and spreading at all levels an efficient Environmental Management System, particularly focusing on the manufacturing process.

- **Products Safety**

Metatron manufactures and sells its products ensuring the observance of the highest safety standards.

6) IMPLEMENTATION AND GUARANTEES

Each Company employee shall be responsible to strictly conform his/her conduct to the principles stated in this Handbook. The implementation of the norms contained in this Handbook is supervised and monitored by the Ethical Official in the person of the Human Resources Manager.

- **Employee Responsibility and Discipline**

The observance of the norms contained in this Handbook is an essential part of their contractual obligations. All the employees of the Company must be responsible of the strict application of the Code and any other policy in force. Each employee will be provided a copy of this Handbook and shall review it carefully in order to understand and comply with it.

In case any employee requires guidance about how to follow this Code, he/

she should seek advice from the Ethical Officer in the person of the Human Resources Manager.

- **Reporting Procedure**

If an employee recognizes any actual or perceived violations - of his/her own or of other individuals - of the ethical principles stated in this Handbook or expresses any doubt about them and their application, he/she shall have to point them out to the Ethical Officer. The latter shall have to take an appropriate decision. Whoever violates this Code – directly or due to an insufficient supervision or failure in reporting someone else’s violation – will be submitted to appropriate disciplinary measures. Serious misconducts can lead to the employment termination.

- **No Retaliation**

Regardless of the reporting manner, there shall be no retaliation or harassment of employees who report possible violations or other concerns of the ethical principles.

A paper copy of this Handbook of Ethical Conduct for Metatron Employees is provided to the Staff and collaborators; all of them are requested to acknowledge receipt of this Handbook in writing.

The receipt can be found on page 13 of this handbook: please fill it in, detach it and hand it over to the Human Resources Manager.

ACKNOWLEDGEMENT AND RECEIPT
OF THE
HANDBOOK OF ETHICAL CONDUCT

I have carefully read the Handbook of Ethical Conduct.
I understand and agree to comply with its purposes and provisions.

Signature of Employee

Employee Number

Employee name (in legible letters)

Date

Name and Address of the Company site

Please complete and return this acknowledgement form to the Ethics Official in the person of the Human Resources Manager, who will include it to your personal file.





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