

## **ETHIC CODE**

STILMAS S.p.A. is operational in research, design, manufacturing and services related to water treatment, still, purified water (PW), pure steam generator mainly devoted to pharmaceutical applications. STILMAS S.p.A. is particularly keen on advocating the ethical principles governing its activities. The Code of Ethics is a collection of principles and guidelines conceived to inspire STILMAS activities and to direct the behaviour not only of its employees but also of all those who come into contact with the Company in the course of business, with the aim of ensuring that STILMAS is not only run efficiently and reliably but also ethically. The Confindustria guidelines for organisational structures, management and control in relation to crime prevention under Legislative Decree No. 231 of June 8th, 2001 governing administrative responsibility in companies, were taken into consideration in drafting this Code. These guidelines promote the implementation of a Code of Ethics as the most important control mechanism and they recommend that such mechanisms should be based on a series of principles which are reflected in the present Code. Based on the strong belief that business ethics are at the core of the company's business success, the present Code of Ethics constitutes an essential part of the organisational structure and of the internal control mechanisms.

### **ARTICLE 1**

#### **Addressees and values**

1. The present Code shall apply to the Company's corporate bodies and to their members, to employees and temporary staff, to consultants and all other external staff irrespective of their title, to agents, attorneys and any other person who may act in the name and on behalf of STILMAS S.p.A., and generally to all those with whom STILMAS S.p.A. and other Group companies may come into contact during the course of business (hereinafter referred to as the "Addressees").
2. In the course of their activities, both in Italy and abroad, Addressees shall apply the principles of the Code of Ethics, and shall abide by principles of fairness, correctness and transparency whilst respecting any legislation in force.

### **ARTICLE 2**

#### **Internal relations**

1. STILMAS S.p.A. acknowledges the importance of human resources by safeguarding the physical and moral integrity of its employees and encouraging development of technical and professional skills.
2. In their internal relations, Addressees shall avoid any sort of discrimination based on age, health, sex, religion, race, political opinion or culture and shall adopt an approach which is consonant with respect and civility.
3. Relations shall be based on personal respect and on the respect of the person's role within the organisation.

### **ARTICLE 3**

#### **Job execution**

1. The Addressees shall be loyal, shall act in good faith, with due diligence, efficiency and correctness and shall aim their actions at mutual cooperation and assistance, whilst respecting internal procedures. Each individual's performance shall be inspired by his will to improve his skills and his professionalism.
2. Any task undertaken on behalf of STILMAS S.p.A. shall be exclusively carried out in the interests of the Company. Therefore any conflict between personal interests and the interests of STILMAS S.p.A. shall be avoided or shall at least be made known immediately.

3. To protect the Company's assets, all data and information obtained in the course of business shall be treated as confidential.
4. When dealing with third parties all offers, benefits (direct or indirect), gifts, favours and hospitality are prohibited unless these are of such value that they cannot be considered to have the scope of obtaining favourable treatment and in any case do not jeopardize the Company's image.

#### **ARTICLE 4** **Technology and innovation**

In order to reach the highest possible standards, STILMAS S.p.A. shall encourage constant technical development and up-dating of its products and services. It shall seek the best possible opportunities on local and international markets and shall support the creativity of its employees provided it does not conflict with current legislation.

#### **ARTICLE 5** **Management and accounts**

The Company's Annual Report and any other type of accounting records must comply with current regulations, must be drafted in line with the best accounting standards and procedures and must be based on the principle of transparency "vis a vis" stakeholders. They must faithfully reflect all acts of administration and must be based on criteria of clarity, truthfulness and correctness in line with internal procedures.

#### **ARTICLE 6** **Relations with Suppliers**

1. Choice of Suppliers shall be made objectively and shall be based on competence, and best price according to principles of transparency and correctness in line with internal procedures.
2. Suppliers shall comply with (i) the prevailing laws, customs and usages of their country, (ii) the prohibition, in staff recruitment of any discrimination based on race, nationality, sex and religion, (iii) the exclusion of child labour or of non-consenting detainees.

#### **ARTICLE 7** **Relations with Clients**

1. The ultimate scope of relations with Clients shall be the fulfilment of their requirements in order to create a solid relationship which reflects the general values of correctness, honesty, efficiency and professionalism.
2. Any message or publicity addressed to Clients shall be based on criteria of simplicity, clarity and completeness, avoiding any misleading or erroneous information.

#### **ARTICLE 8** **Relations with the Public Administration**

1. Relations between STILMAS and the Public Administration, public officers or other public service representatives must be based on the most rigorous observance of law and of any regulations in force and shall never jeopardise the integrity and reputation of STILMAS S.p.A. or any of its Group companies.
2. Assumption of obligations and management of relations with the above mentioned officers shall be exclusively handled by those company officials or members of staff who are duly authorised, in line with internal procedures.
3. With regard to these relations Addressees shall refrain from offering, even through a third party, money or other

goods to any public servant, to members of his/her family or to any other person in any way connected to him or her or to seek or maintain any personal relationship to favour, influence, or interfere - which has the scope of directly or indirectly conditioning his/her actions.

**ARTICLE 9**  
**Donations and sponsorships**

STILMAS S.p.A. shall only consider requests made by non profit organisations and associations or requests made by social or cultural organisations, in line with internal procedures.

**ARTICLE 10**  
**Environmental protection**

In carrying out activities, Addressees agree to comply the existing legislation for environmental protection and promote the conduct of activities focused on the following principles:

- do not pollute;
- optimize the use of resources;
- develop products that are more compatible with the environment

**ARTICLE 11**  
**Protection of Corporate assets**

1. Each Address is responsible for the protection and preservation of property, physical and intangible assets, and resources, be they human, material or immaterial, which are entrusted to carry out its duties.
2. It is forbidden any use of such property and resources is contrary to the interests of STILMAS SpA, or is motivated by professional reasons unrelated to the employment relationship with STILMAS SpA.

**ARTICLE 12**  
**IT(Information Technology) Code of Ethics**

The IT Code of Ethics is considered integral and inseparable part of this Code of Ethics and is subject to all rules that govern it. When reading Code of Ethics, the contents are extended also to the IT Code of Ethics .

**ARTICLE 13**  
**Application of the Code**

1. Application of the Code of Ethics and compliance to it shall be monitored by the Compliance Board which, shall ensure that the Code is easily available and is known and understood by all concerned.
2. Any violation of the Code may at any time be reported to the Compliance Board or to the person in charge of internal control who, save for any obligations arising at law, shall ensure that the name of the person making the report shall not be disclosed.
3. The Compliance Board shall in a timely manner assess any reports, as well as any violation of the Code which is discovered during controls, in order to take any necessary disciplinary measures.

**ARTICLE 14**  
**Privacy**

1. It is strictly forbidden dealing and using information acquired by reason of the activity for purposes which are outside the ordinary course of the professional tasks.
2. It is strictly forbidden disclosing confidential information relating STILMAS SpA and issue any statement involving STILMAS SpA, without prior authorization of the Board Members.

**ARTICLE 15**  
**Sanctions**

1. STILMAS employees shall consider the observance of all rules forming part of the Code of Ethics as an essential part of their contractual obligations. Therefore, violation of these rules shall constitute a breach of their primary employment obligations or a breach of discipline and shall entail disciplinary procedures proportionate to the gravity of the violation, to whether it is a first time or a repeat offence and to the degree of negligence involved, in line with article 7 of the Statute of Labourers. Such breach may give rise to due legal consequences even with respect to preservation of employment and payment of damages.
2. The provisions of the present Code of Ethics shall also apply to temporary and external staff who shall be obliged to respect them. Any breach shall be penalised by disciplinary measures which shall be brought against them by their own employers or employment agencies.
3. With regard to Directors and Auditors, any violation of the Code shall entail action by the Board of Directors or Board of Statutory Auditors. Such action shall be proportionate to the gravity of the violation or to whether it is a first time or a repeat offence or to the degree of negligence involved, and could result in a proposal to the General Meeting for the dismissal for just cause of the person involved.
4. Breach of the Code by Suppliers, external staff and consultants and other Addressees not mentioned above, shall be considered a serious offence, which in the case of a contractual relationship could result in the legal termination of such contract, in line with the relative contract terms and conditions and without prejudice to any rights for damages and legal action in the event of a the breach which constitutes a criminal offence.

**ARTICLE 16**  
**Final provisions**

The present Code of Ethics has been approved by the Board of Directors of STILMAS S.p.A. and has been accepted. Any amendment thereof shall be duly approved by the Board of Directors of STILMAS S.p.A. after consultation with the Compliance Board.