



CODE OF ETHICS

*Approved by the Board of Directors of Magnaghi Aeronautica SpA on 30 March 2012
and updated on 8 April 2016*

INDEX

Magnaghi Group's Code of Ethics	3
INTRODUCTION	3
I. General principles: sustainability and corporate responsibility	5
II. Rules of behaviour and relations with Stakeholders.....	6
1. Ethics, transparency, fairness and professionalism.....	6
2. Relations with shareholders and with the Market.....	7
3. Relations with institutions, associations and local communities	7
3.1 Public Authorities and Institutions.....	7
3.2 Political organisations and trade unions	7
3.3 Development of local communities	7
3.4 Promotion of non-profit activities.....	8
4. Relations with customers and suppliers	8
4.1 Customers	8
4.2 Suppliers and external collaborators	9
5. Management, employees and collaborators of Magnaghi Group	9
5.1. Development and protection of human resources.....	9
5.2. Knowledge management.....	11
5.3. Environmental protection.....	11
III. Tools for implementing the Code of Ethics	12
1. Internal control and risk management system.....	12
1.1 Conflicts of interest.....	12
1.2 Transparency of accounting records	13
2. Health, safety, environment and public security protection.....	13
3. Research, innovation and intellectual property protection	14
4. Confidentiality	14
4.1. Protection of business secrets	14
4.2 Protection of privacy.....	15
4.3 Membership of associations, participation in initiatives, events or external meetings.....	15
IV. Scope of application and reference structures of the Code of Ethics.....	17
1. Obligation to know the Code and report any possible violation of it.....	17
2. Reference structures and supervision.....	18
2.1. Guarantor of the Code of Ethics	18
2.2 Promotion and diffusion of the Code of Ethics	19
3. Code review	19
4. Contractual value of the Code.....	19

Magnaghi's Code of Ethics

INTRODUCTION

Legislative Decree No. 231 of 8 June 2001 ("Decree") prescribes a regime of administrative liability (substantially comparable to criminal liability) of legal entities ("Entity/Entities") which supplements the liability of the person who has actually committed a crime in order to penalise also the Entities in whose interest or for whose benefit the crime was committed. Entities, however, can adopt organisational, management and control models designed to prevent crimes being committed. By resolution of the Board of Directors dated 30 March 2012, Magnaghi Aeronautica and other companies of Group adopted the Organisational, Management and Control Model prescribed by the Decree (the "Model"), subsequently reviewed and updated as generally described herein.

This document, entitled "Principles of the Model", has been prepared and drawn up by the Supervisory Body of the Company in order to explain the general principles of the Model. Magnaghi Group¹ is an internationally oriented industrial group which, because of its size and the importance of its activities, plays a significant role in the marketplace and in the economic development and welfare of the individuals who work or collaborate with Magnaghi Group and of the communities where it is present.

The complexity of the situations in which Magnaghi Group operates, the challenges of sustainable development and the need to take into consideration the interests of everyone who has a legitimate interest in the business ("Stakeholders"), make it even more important to clearly define the values that Magnaghi Group accepts, acknowledges and shares, as well as the responsibilities that it assumes, contributing to a better future for everybody. For this reason the Magnaghi Group's new Code of Ethics ("Code" or "Code of Ethics") has been devised. Compliance with the Code by Magnaghi companies' directors, statutory auditors, management and employees, as well as by all those who operate in Italy and abroad to achieve Magnaghi's objectives ("Magnaghi Group's People"), each within their own functions and responsibilities, is of paramount importance – also pursuant to legal and contractual provisions governing the relationship with Magnaghi Group – for Magnaghi Group's efficiency, reliability and reputation, which are all key factors in its success, and in improving the social situation in which Magnaghi Group operates.

Magnaghi Group undertakes to promote awareness of the Code among Magnaghi Group's People and its other Stakeholders and their constructive contribution to its principles. Magnaghi Group also undertakes to consider any suggestions and observations by the Stakeholders, with the aim of confirming or supplementing the Code. Magnaghi Group carefully checks for compliance with the Code by providing suitable information, prevention and control tools and ensuring transparency in all transactions and behaviour by taking corrective measures as and when required. The Supervisory

¹ "Magnaghi Group" means Magnaghi Group spa and its direct and indirect subsidiaries, in Italy and abroad.

Committee (*Organismo di Vigilanza*) of Magnaghi Group SpA performs the functions of guarantor of the Code of Ethics ("Guarantor").

The Code is brought to the attention of every person or body that has business relations with Magnaghi Group (Magnaghi Aeronautica Spa, Salver Spa, Metal Sud Srl). In the exercise of its direction and coordination activity, Magnaghi makes sure that the Code of Ethics is circulated to all direct or indirect subsidiaries. As a result, the ethical principles set forth in this Code of Ethics are shared by all subsidiaries of Magnaghi and are binding on all the recipients.

I. General principles: sustainability and corporate responsibility

Compliance with the law, regulations, statutory provisions, self-regulatory codes, ethical integrity and fairness, is a constant commitment and duty of all Magnaghi Group's People, and characterises the conduct of its entire organisation.

Magnaghi Group's business and corporate activities have to be carried on in a transparent, honest and fair way, in good faith, and in full compliance with the rules on competition.

Magnaghi Group undertakes to maintain and strengthen a governance system in line with international best practice, which is able to deal with the complex situations in which Magnaghi Group operates and with the challenges it has to face for sustainable development.

Systematic methods for involving Stakeholders are adopted, fostering dialogue on sustainability and corporate responsibility.

In conducting its activities as an international company and with its partners, Magnaghi Group stands up for the protection and promotion of human rights, inalienable and fundamental prerogatives of human beings and basis for the establishment of societies founded on principles of equality, solidarity and repudiation of war, as well as for the protection of civil and political rights, social, economic and cultural rights and so-called third generation rights (the right to self-determination, peace, development and protection of the environment).

Any form of discrimination, corruption, forced or child labour is rejected. Particular attention is paid to acknowledging and safeguarding the dignity, freedom and equality of human beings, to the protection of labour and freedom of trade union association, of health and safety in the workplace, the environment and biodiversity, as well as the set of values and principles concerning transparency, energy efficiency and sustainable development, in accordance with International Institutions and Conventions.

All of Magnaghi Group's People, without any distinction or exception whatsoever, respect the principles and contents of the Code in their actions and behaviour while performing their functions and according to their responsibilities, because compliance with the Code is fundamental to the quality of their working and professional performance. Relationships among Magnaghi Group's People, at all levels, must be characterised by honesty, fairness, cooperation, loyalty and mutual respect.

II. Rules of behaviour and relations with Stakeholders

1. Ethics, transparency, fairness and professionalism

In carrying on its business, Magnaghi Group is inspired by and complies with the principles of loyalty, fairness, transparency, efficiency and an open market, regardless of the size of the transaction concerned.

Any action, transaction and negotiation performed and, generally, the conduct of Magnaghi Group's People in the performance of their duties is inspired by the highest principles of fairness, completeness and transparency of information and legitimacy, in both form and substance, as well as clarity and truthfulness of all accounting documents, in compliance with the applicable laws in force and internal regulations.

All Magnaghi Group's activities have to be performed with the utmost care and professional skill, with the duty to provide skills and expertise adequate to the tasks assigned, and to act in a way capable to protect Magnaghi Group's image and reputation. Without prejudice to compliance with applicable laws and obligations arising from acceptance of the principles contained in the Code of Conduct, the corporate objectives, as well as the proposal and implementation of projects, investments and actions, have to aim at improving the Company's assets, management, technological and information level in the long term, and at creating value and welfare for all Stakeholders.

Bribes, illegitimate favours, collusion, requests for personal benefits for oneself or others, either directly or through third parties, are prohibited without any exception.

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

Commercial courtesies, such as small gifts or forms of hospitality, are only allowed when of low value, without compromising the integrity and reputation of either party, and when they cannot be construed by an impartial observer as designed to obtain undue advantages. In any case, such expenses must always be authorised by the manager concerned in accordance with existing internal rules, and be accompanied by appropriate documentation.

It is forbidden to accept money from individuals or companies that have or intend to have business relations with Magnaghi Group Companies. Anyone who receives proposals of gifts, hospitality or special treatment that cannot be considered as a low-value commercial courtesy, or requests therefor by third parties, must reject them and immediately inform their superior, or the body they belong to, as well as the Guarantor.

Magnaghi Group will duly inform all third parties about the commitments and obligation provided for in the Code, requiring third parties to respect the principles of the Code relevant to their activities and to take proper internal measures; and, if the

matter is within its own competence, also external measures in the event that any third party should fail to comply with the Code.

2. Relations with shareholders and with the Market

The presence of the Magnaghi Group in both national and international markets, the various contexts in which the Group operates and the multiplicity of third parties it deals with, accentuates the importance of managing the relationship between the Company and its stakeholders.

3. Relations with institutions, associations and local communities

Magnaghi Group encourages dialogue with the institutions and organised associations of civil society in all of the countries where it operates.

3.1 Public Authorities and Institutions

Magnaghi Group, through its People, actively and fully cooperates with Public Authorities.

Magnaghi Group's People, as well as external collaborators whose actions may somehow be referred to Magnaghi Group, must ensure that their behaviour versus the Public Administration is characterised by fairness, transparency and traceability. Such relations have to be handled exclusively by the departments and individuals specifically appointed to do so, in compliance with approved plans and corporate procedures.

The departments of the subsidiaries concerned shall coordinate with the relevant Magnaghi Group Corporate structure for assessing the quality of the interventions to be carried out and for sharing, implementing and monitoring their actions.

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

3.2 Political organisations and trade unions

Magnaghi Group does not make any direct or indirect contributions in whatever form to political parties, movements, committees, political organisations and trade unions, nor to their representatives and candidates.

3.3 Development of local communities

Magnaghi Group has a commitment to actively promote the quality of life and the socio-economic development of the communities where Magnaghi Group operates and to the development of their human resources and capabilities, while conducting its business activities according to standards that are compatible with fair commercial practices.

Magnaghi Group's activities are carried on in the awareness of the social responsibility that Magnaghi Group has to all of its Stakeholders and, in particular, the local

communities in which it operates, in the belief that the capacity for dialogue and interaction with civil society constitutes an important asset for the Company. Magnaghi Group respects the cultural, economic and social rights of the local communities in which it operates and undertakes to contribute, as far as possible, to their implementation, with particular reference to the right to adequate nutrition, drinking water, the highest achievable level of physical and mental health, decent housing and education, abstaining from actions that may hinder or prevent the exercise of such rights.

Magnaghi Group promotes transparency of the information addressed to local communities, with particular reference to the topics that they are most interested in. Forms of continuous and informed consultancy are also promoted, through the relevant Magnaghi Group structures, in order to take into due consideration the legitimate expectations of local communities in conceiving and conducting corporate activities and to promote a proper redistribution of the profits deriving from such activities.

Magnaghi Group therefore undertakes to promote awareness of its corporate values and principles at every level of its organisation, also through adequate control procedures, and to protect the rights of local communities, with particular reference to their culture, institutions, bonds and life styles.

Within the framework of their respective responsibilities, Magnaghi Group's People are required to participate in the definition of single initiatives in compliance with Magnaghi Group's policies and intervention programmes, to implement them according to criteria of absolute transparency and to support them as an integral part of Magnaghi Group's objectives.

4. Relations with customers and suppliers

4.1 Customers

Magnaghi Group pursues its business success on markets by offering quality products and services under competitive conditions, while respecting the rules in favour of fair competition.

Magnaghi Group acknowledges that the esteem of those requesting products or services is of primary importance for success in business. Business policies are aimed at ensuring the quality of goods and services, safety and compliance with the precautionary principle. Therefore, Magnaghi Group's People shall:

- comply with in-house procedures concerning the management of relations with customers;
- supply high-quality products that meet the reasonable expectations and needs of customers, with efficiency and courtesy, within the limits set by the contractual conditions;
- provide accurate and exhaustive information on products and services.

4.2 Suppliers and external collaborators

Magnaghi Group undertakes to look for suppliers and external collaborators with suitable professionalism, who are committed to sharing the principles and contents of the Code, and promotes the establishment of long-term relationships for the progressive improvement of performance, while protecting and promoting the principles and contents of the Code.

In relationships involving tenders, procurement and, generally, the supply of goods and/or services and of external collaborations (including consultants, etc.), Magnaghi Group's People shall:

- follow internal procedures concerning selection and relations with suppliers and external collaborators and abstain from excluding any supplier that meets the requirements from bidding for Magnaghi Group's orders; adopt appropriate and objective selection methods, based on established, transparent criteria;
- secure the cooperation of suppliers and external collaborators in guaranteeing continuous satisfaction on the part of customers, to an extent adequate to that legitimately expected by them, in terms of quality, costs and delivery times;
- use as much as possible, in compliance with the laws in force and the criteria for legality of transactions with related parties, products and services supplied by Magnaghi Group companies at arm's length and market conditions;
- comply with, and demand compliance with, the conditions contained in contracts;
- maintain a frank and open dialogue with suppliers and external collaborators in line with good commercial practice; promptly inform superiors, and the Guarantor, about any possible violations of the Code;
- inform the relevant Magnaghi Group Corporate structure about any serious problems that may arise with a particular supplier or external collaborator, in order to evaluate possible consequences for Magnaghi Group.

5. Management, employees and collaborators of Magnaghi Group

5.1. Development and protection of human resources

People are key elements in the Company's life. The dedication and professionalism of management and employees represent fundamental values and conditions for achieving Magnaghi Group's objectives.

Magnaghi Group is committed to developing the abilities and skills of management and employees so that their energy and creativity can have full expression for the fulfilment of their potential in their working performance.

Magnaghi Group undertakes to offer, in full compliance with applicable legal and

contractual provisions, equal opportunities to all its employees, making sure that each of them receives a fair salary based exclusively on merit and expertise, without any kind of discrimination. The departments concerned shall:

- adopt criteria of merit and ability (with, in any case, a strictly professional approach) in any situation and in all decisions concerning human resources;
- select, hire, train, compensate and manage human resources without any kind of discrimination;
- create a working environment where personal characteristics or beliefs do not give rise to discrimination.

Magnaghi Group would like its People, at every level, to cooperate in maintaining a climate of respect for a person's dignity, honour and reputation. Magnaghi Group will do its best to prevent attitudes that can be considered as offensive, discriminatory or abusive. In this regard, any behaviour outside the workplace that is particularly offensive to public sensitivity will also be deemed relevant.

In any case, any behaviour constituting physical or moral violence is forbidden without exception.

In compliance with the existing provisions, including, in particular, Legislative Decree no. 81 of 2008 and subsequent amendments and integrations and all other provisions in this matter, Magnaghi is committed to protect the health of workers, taking all necessary and appropriate measures, and to the best technical and scientific know-how to guarantee absolute compliance of all workplaces with the highest standards of safety and hygiene. Magnaghi also fosters and establishes a culture of safety, to protect the health of workers in the workplace, thus developing risk awareness and promoting responsible behaviour by all employees and collaborators. The Company integrates its activities in compliance with health and safety factors, from the stage of the process and product design, and takes action targeted to: - continuous improvement of its performance regarding health and safety at work; - the identification of areas for improvement in health and safety and, where possible, the best available techniques; - control and reduction of the use of hazardous substances. The issues of health and safety are the subject of specific training initiatives for all employees who, depending on their role, implement the principles set out in the environmental and health and safety policy. Magnaghi is committed to verify application of the Policy through its structures and organisations; it establishes health and safety goals and systems for monitoring, reporting and periodic review.

5.2. Knowledge management

Magnaghi Group promotes culture and initiatives to disseminate knowledge within its structures and to point out the values, principles, behaviour and contributions in terms of innovation of professional families in connection with the development of business

activities and the Company's sustainable growth.

Magnaghi Group undertakes to offer tools to foster interaction among the members of professional families, working groups and communities, as well as coordination and access to know-how, and shall promote initiatives for the growth, dissemination and systematisation of knowledge relating to the core competences of its structures, aimed at defining a reference framework to guarantee operating consistency.

All Magnaghi Group's People shall actively contribute to knowledge management in the activities that they are in charge of, in order to optimise the system for knowledge sharing and distribution among individuals.

5.3. Environmental Protection

Magnaghi recognises the environment as a primary value to safeguard and, to this end, it schedules its activities by seeking a balance between economic initiatives and environmental protection, which is considered an essential requirement. In this context, Magnaghi is committed to limiting the environmental impact of its activities, also by taking into account the development of scientific research in the field. Magnaghi has therefore considered it vital to implement an environmental policy and a Sustainability Report, which establishes the integration of environmental aspects with its long-term objectives of maintaining levels of sustainability, profitability and competitiveness. Magnaghi, in compliance with the law, recognises the high social value of environmental aspects and therefore promotes, also through its subsidiaries, cooperation with the relevant authorities and communication with the public. The Company integrates its activities with environmental factors, right from the stage of product design, and takes targeted action to:

- continuously improve its environmental performance;
- identify areas for improvement in environment matters and, where possible, use the best available techniques;
- control and lower the use of hazardous substances;
- save energy and water;
- minimise the production of waste and ensure its recovery and recycling.

In line with the evolution of the scientific knowledge on climate change and in accordance with its activities, Magnaghi takes steps to reduce climate-altering gases released into the atmosphere. Environmental protection has been inserted among the specific training initiatives for all employees who, according to their role, implement the principles of the environmental policy, promoting actions designed to control the environmental effects of their activities. Magnaghi is committed to verifying implementation of its environmental policy through its structures and organisations; it establishes environmental objectives and targets and systems for monitoring, reporting and periodic review.

III. Tools for implementing the Code of Ethics

1. Internal control and risk management system

Magnaghi Group is committed to promoting and maintaining an adequate internal control and risk management system, by adopting and implementing all tools that can help direct, manage and monitor business activities in order to ensure compliance with laws and company procedures, protect corporate assets, efficiently and effectively manage activities and provide accurate and complete accounting and financial data, while ensuring proper identification, measurement, management and monitoring of the main business risks.

The responsibility for implementing an effective system of internal control and risk management is shared at every level of Magnaghi Group's organisational structure; all of Magnaghi Group's People, according to their functions and responsibilities, shall therefore define and actively participate in the correct functioning of the system of internal control and risk management.

Magnaghi Group promotes the dissemination, at every level of its organisation, of policies and procedures that feature a high awareness of the existence of controls and an informed and voluntary control-oriented mentality; consequently, Magnaghi Group's management, in the first place, and all of Magnaghi Group's People shall in any case contribute to and participate in Magnaghi Group's system of internal control and risk management and involve collaborators in this respect with a positive attitude.

Each employee shall be held responsible for the tangible and intangible assets pertaining to their job. No employee can make, or let others make, improper use of assets or equipment belonging to Magnaghi Group.

Any practices and attitudes linked to the perpetration or participation in the perpetration of fraud are forbidden without any exception.

Control and *Organismo di Vigilanza* (Supervisor Committee) Magnaghi Group's Internal Audit department and any auditing firms that may be appointed will have full access to all data, documents and information necessary to perform their own activities.

1.1 Conflicts of interest

The relationship between Magnaghi Group and its directors and employees at any level is based upon complete trust. It is the primary duty of each director and employee to use the Company's assets and their own working capacity to achieve the Company's interests, in compliance with the principles set forth in the Code of Ethics, which represent the values adopted by Magnaghi. From this viewpoint, directors, employees and collaborators of Magnaghi in any capacity must avoid any situation and abstain from any action that could cause a personal interest, whether direct or indirect, to interfere with and hamper their ability to take impartial and objective decisions in the interest of the Company. Any conflict of interest would not only be in contrast with the law and the principles set forth in the Code of Ethics, but also prove detrimental to the Company's image and integrity.

Any situation of conflict, even only potential, must be promptly communicated in detail

to the Company – i.e. to one’s direct superior and to the Supervisory Body pursuant to Legislative Decree no. 231/01. Those who find themselves in a situation of potential conflict of interest has to refrain from getting involved or participating in any act that might prejudice the Company or any third parties, or damage their image. Similarly, consultants and commercial partners must take specific commitments to avoid any situations of conflict of interest, refraining from using, in any way and for any reason whatsoever, the work performed on behalf of the Company with a view to achieving any illicit advantage for themselves or for others.

1.2 Transparency of accounting records

Truthful, precise, full and clear primary data are the prerequisites of transparent accounting and are a fundamental value for Magnaghi, also with a view to ensuring that shareholders and third parties are able to have a clear picture of the Company’s results and financial position. To achieve these conditions, the documentation of basic facts must first and foremost be complete, clear, truthful, accurate and valid, and must be entered in the accounting books as justification of the records, which must be updated regularly to allow for appropriate audit checks. The relevant book entry must reflect in a complete, clear, truthful, precise and valid manner whatever is described in the supporting documentation. In the case of economic and financial elements based on valuations, the relevant book entry shall be made in accordance with the criteria of reasonableness and prudence, clearly explaining in the supporting documentation the criteria underlying the asset’s valuation. If anyone becomes aware of a possible omission, falsification or irregularity in the books and records of the Company, or of any breach of the principles set forth in the Code of Ethics and in the specific protocols, they must report this immediately to the Supervisory Body in accordance with Legislative Decree 231/01. Such infringements undermine the relationship of trust between employees and the Company and will lead to disciplinary measures and suitable penalties. Within the limits established by law, Magnaghi shall provide exhaustive and prompt information, clarifications, data and documents requested by shareholders, clients, suppliers, supervisory authorities, institutions or bodies in the performance of their duties and functions. Any relevant information must be communicated promptly to the Company’s bodies in charge of controlling the Company’s management and to the supervisory authorities.

2. Health, safety, environment and public security protection

Magnaghi Group’s activities shall be carried out in compliance with worker health and safety, environmental and public safety protection agreements, international standards and laws, regulations, administrative practices and national policies applicable in the countries where it operates.

Magnaghi Group actively contributes, as appropriate, to the promotion of scientific and technological development aimed at protecting the environment and natural resources. The operative management of such activities shall be carried out according to advanced criteria for the protection of the environment and energy efficiency, with the aim of

creating better working conditions and protecting the health and safety of employees, as well as the environment.

Magnaghi Group's People shall, within their areas of responsibility, actively participate in the process of risk prevention as well as environmental, public security and health protection for themselves, their colleagues and third parties.

3. Research, innovation and intellectual property protection

Magnaghi Group promotes research and innovation activities by management and employees, each within their sphere of competence. Any intellectual assets generated by such activities are an important and fundamental part of Magnaghi Group's heritage. Research and innovation focus in particular on the promotion of products, instruments, processes and behaviour supporting energy efficiency, reduction of environmental impact, attention to health and safety of employees, customers and the local communities where Magnaghi Group operates, and, in general, the sustainability of business activities.

4. Confidentiality

4.1. Protection of business secrets

Magnaghi Group's activities constantly require the acquisition, storing, processing, communication and dissemination of information, documents and other data regarding negotiations, administrative proceedings, financial transactions, and know-how (contracts, deeds, reports, notes, studies, drawings, pictures, software, etc.) that must not be disclosed to the outside world in accordance with contractual agreements, or whose inopportune or untimely disclosure may be detrimental to the Company's interests.

Without prejudice to the transparency of the activities carried out and to the information obligations imposed by current regulations, Magnaghi Group's People must ensure the confidentiality required by the circumstances for each piece of news that they have got to know about through their work.

All information, knowledge and data acquired or processed during one's work or through one's duties at Magnaghi Group belong to Magnaghi Group and may not be used, communicated or disclosed without specific authorisation from one's direct management superior in compliance with specific procedures.

4.2 Protection of privacy

Magnaghi Group is committed to protecting information concerning its People and third parties, whether generated or obtained inside Magnaghi Group or in the conduct of Magnaghi Group's business, and to avoiding improper use of such information.

Magnaghi Group intends to guarantee that processing of personal data within its structures respects fundamental rights and freedoms, as well as the dignity of the parties concerned, as envisaged in current law.

Personal data must be processed in a lawful and fair way and, in any case, the data collected and stored should only what is needed for certain, explicit and lawful purposes. Data shall be stored for no longer than is strictly necessary for the purposes for which it was gathered.

Magnaghi Group also undertakes to adopt suitable preventive security measures for all databases storing and keeping personal data, in order to avoid any risk of destruction and loss or of unauthorised access or processing.

Magnaghi Group's People shall:

- obtain and process only such data that are needed for the purposes of their work and responsibilities;
- obtain and process such data only within specified procedures, and store the data in a way that prevents unauthorised parties from having access to it;
- represent and order data in a way that ensures that any party with access authorisation can easily obtain a profile of it that is as accurate, exhaustive and truthful as possible;
- disclose such data pursuant to specific procedures or subject to express authorisation by their superior and, in any case, only after checking that such data can be disclosed, also making reference to absolute or relative constraints concerning third parties bound to Magnaghi Group by a relationship of whatever nature and, if applicable, after obtaining their consent.

4.3 Membership of associations, participation in initiatives, events or external meetings

Membership of associations, participation in initiatives, events or external meetings is supported by Magnaghi Group if compatible with the working or professional activity provided. Membership and participation considered as such are:

- membership in associations, conferences, congresses, seminars, courses;
- writing articles, essays and publications in general;
- participation in public events in general.

In this regard, Magnaghi Group's management and employees in charge of illustrating, or providing to the outside world news or information concerning Magnaghi Group's objectives, aims, results and points of view, shall not only comply with corporate procedures relating to market abuse, but also obtain the necessary authorisation from their management superior for the lines of action to follow and the texts and reports that they have drafted, so as to agree on contents with the relevant Magnaghi Group Corporate structure.

IV. Scope of application and reference structures of the Code of Ethics

The principles and contents of the Code apply to Magnaghi Group's People and activities.

Subsidiaries listed on the Stock Exchange receive the Code and adopt it, adjusting it where necessary to the characteristics of their company in accordance with their management independence.

The representatives indicated by Magnaghi Group in the corporate bodies of partially owned companies, consortiums and joint ventures shall promote the principles and contents of the Code within their own spheres of competence.

Directors and management must be the first to give concrete form to the principles and contents of the Code, by assuming responsibility for them both internally and externally and by enhancing trust, cohesion and a sense of team-work, as well as providing a behavioural model for their colleagues to ensure that they comply with the Code, asking questions and making suggestions on specific provisions.

To achieve full compliance with the Code, any of Magnaghi Group's People can also apply directly to the Guarantor.

1. Obligation to know the Code and to report any violation of it

The Code is made available to Magnaghi Group's People in compliance with applicable standards, and is also available on the internet and intranet sites of Magnaghi Group spa and its subsidiaries.

Magnaghi Group's People are all expected to know the principles and contents of the Code, as well as the reference procedures governing their own functions and responsibilities.

Magnaghi Group's People must all:

- refrain from any conduct that is contrary to such principles, contents and procedures;
- carefully select collaborators, within their sphere of competence, and have them fully comply with the Code;
- require any third parties having relations with Magnaghi Group to confirm that they know the Code;
- immediately report to their superiors or to the body they belong to, and to the Guarantor, any remarks or feedback from Stakeholders concerning a possible violation or any request to violate the Code; reports of possible violations shall be sent in compliance with the conditions provided for in the specific procedures established by the Board of Statutory Auditors and by the Supervisory Committee (*Organismo di Vigilanza*) of Magnaghi Group spa;

- cooperate with the Guarantor and with the relevant departments according to the specific procedures to be followed in ascertaining violations;
- adopt prompt corrective measures whenever necessary and, in any case, prevent any type of retaliation.

2. Reference structures and supervision

Magnaghi Group is committed to ensuring, also through the Guarantor's appointment:

- the widest dissemination of the principles and contents of the Code among Magnaghi Group's People and the other Stakeholders, providing tools to help understand and clarify interpretation and implementation of the Code, as well as for updating the Code as required to meet civil sensibility and relevant laws as they evolve;
- the carrying out of checks whenever there are reports of violation of the Code's principles and contents or of reference procedures; an objective evaluation of the facts and, if necessary, the adoption of appropriate sanctions; that no one should suffer any retaliation whatsoever for having provided information regarding possible violations of the Code or its reference procedures.

2.1. Guarantor of the Code of Ethics

The Code of Ethics is, among other things, a compulsory general principle of the Organisational, Management and Control Model adopted by Magnaghi Group spa according to the Italian law on the "administrative liability of legal entities deriving from offences" contained in Legislative Decree no. 231 of 8 June 2001.

The Supervisory Committee (*Organismo di Vigilanza*) of Magnaghi Group SpA also acts as Guarantor of the Code of Ethics. The Guarantor is entrusted with the task of:

- promoting and facilitating the implementation of the Code of Ethics and the issue of reference procedures; proposing to the competent internal structures useful initiatives for a greater dissemination and knowledge of the Code, also to prevent any recurrence of violations;
- promoting awareness of the Code of Ethics through communication programmes and specific training of management and employees of Magnaghi Group;
- investigating reports of any violation of the Code by initiating proper inquiry procedures; taking action at the request of Magnaghi Group's People on receiving reports that violations of the Code have not been properly dealt with or if informed of any retaliation against Magnaghi Group's People for having reported violations;
- notifying pertinent structures of the results of investigations for the adoption of possible sanctions; informing the relevant line/area structures about the results of investigations for the adoption of necessary measures.

Each information or any violation of Code of Ethics may be sent to the following email address: odv@magnaghiaeronautica.it

2.2 Promotion and diffusion of the Code of Ethics

The Code is made available to Magnaghi Group's People in compliance with applicable standards, and is also available on the internet and intranet sites of Magnaghi Group spa and its subsidiaries.

The Guarantor promotes the provision of every possible tool to help understand and clarify interpretation and implementation of the Code.

3. Code review

Each review of the Code has to be approved by the Board of Directors.

The proposal is made taking into consideration the Stakeholders' assessment of the principles and contents of the Code, promoting active contribution and notification of possible deficiencies by Stakeholders.

4. Contractual value of the Code

Compliance with the Code is an essential part of the contractual obligations of all of Magnaghi Group's People in accordance with applicable law.

Any violation of the Code's principles and contents may be considered as a violation of primary obligations under labour relations or of the rules of discipline and may entail the consequences provided for by law, including termination of the work contract and compensation for damages arising out of any violation.