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1. GENERAL PRINCIPLES

The guidelines, defined by the group of Magaldi Companies Management pursuing the Continuous Improvement of the company processes, reflect the strong conviction that ethical behaviour cannot be only evaluated strictly with the Law and the corporate policies observance, but also, and above all, in terms of the effective and efficient conformity with the highest widely spread and shared behavioural standards and with the use of suitable methods for making all the Staff involved and share its work projects.

On account of this the Executive underlines that each single non ethically correct behaviour, not only causes negative consequences within the company, but also could damage its whole image as perceived by the external social context.

The Magaldi working processes studied, approved and diffused to achieve the company goals are of a two way kind: top-down and bottom-up. As part of a compact and unified organization, the top-management is turned to:

- undertake the full application of laws and job agreements;
- behave with justice with their Collaborators, fostering their professional growth and taking care of their safety at work;
- correctly and fairly behave with Customers, suppliers and competitors;
- keep honest and fair relationships with the Civil Service and Political Parties;
- consider, as preeminent, the protection of the Environment and the prevention of any kind of pollution;
- use the information acquired by virtue of their role as confidential;
- deal with each Colleague with the same dignity, regardless of the function and role to him/her assigned.

The Magaldi Employees have to:

- express their professional abilities at best, actively helping the economic and social growth of the company;
- start and keep collaboration relationships with its Colleagues, based on the mutual respect and on the common will of pursuing the same goals;
- continuously banish wastes;
- protect the intellectual and commercial property of the group of Magaldi companies, keeping all the sensible data as absolutely confidential.

2. ETHICAL PRINCIPLES

The commitment of the group of Magaldi companies consists on adopting a behavior which overcome the limits of a mere observance of rules and Corporate Social Responsibility, and which is based on the so-called 'ethical' management model referred to the observation of the social and environmental values and to the respect of the actual laws about the protection of the Human Rights.

This behaviour is adopted in each department of the group of Magaldi companies: in the **Production** department, which ensures that the production will pursuit the total quality always saving the environment and fully applying the prevention and safety rules, in the **Commercial** department, by improving the Customer Service and the Technical Support to ensure the Customer's Satisfaction, in the **Human Resources** department by training and enhancing competences, in the **Business Governance**, that, as in a well managed company, consists in the cost optimization and the pursuing of the social corporate objects.

2.1. To produce values by values

The common goal and the mutual commitment of every Magaldi Employees is addressed to increase the value and the further consolidation of the company, being aware to participate to the same extent to a steady growth process which has become a real success over the last years and which is bound to be continuously increasing in the future.

The contribution given by the company top-management has been successful, fundamental and necessary in tenaciously pursuing and spreading the construction and the affirmation of a common identity.

The blue circle surrounding the family name Magaldi in the group logo represents the patented and produced conveyor belts and expresses the idea of unity which is one of the successful factors of the group of Magaldi companies.

The latter operates in different areas, each one specifically devoted to different targets linked to each, and which can be identified according to:

- the typology of product: goods or services;
- the type market: global, national or local;
- the adopted technology.

One of Magaldi strengths is to bring the differences back in a strategic integrated and common policy, where diversity, devoid of opposition, are integrated and led the group of Magaldi companies to experience a continuous growth making lever on its ability to become a "system". As well as the group of Magaldi companies integrates, in order to become a stronger operator on the global market, the constant promotion of collaboration among Colleagues has, in its context, always fostered the protection of the weaker by the stronger or a correct competition between the two, aimed at increasing their competences and abilities, and at leading to an efficient and continuous self-evaluation model.

The courageous and advanced internationalization of the group of Magaldi companies has been a further element of growing and integration, which had made it possible to exchange knowledge and experiences on the global market.

A further example of that is given in this company by this Value Card, suggested by the Collaborators themselves, during the “Banish Wastes Award”, a competition implemented by the top management as a motivational instrument of continuous self-improvement, circulation of information, personal growth and enhancement of everyone’s contribution, which has shown the strong will of the Executives to promote the useful and correct sharing of resources and results.

On pursuing fair ethical principles, the successful values identified are:

- that the ENTREPRENEURIAL ABILITY of each Collaborator is a precious value to promote and reward at any working level;
- the CONTINUITY, aim and is a basic value of the group of Magaldi companies for allowing it to make long-term plans and overcoming the immediate result logic, in order to reach the most effective stability and the continuity of results.
- the importance to be a FLEXIBLE organization in the modern free markets to gain the higher results which will have to be anyway managed and directed in order to avoid any distortion;
- the well managed BUSINESS SYSTEM, which is by now, since modern competition starts requiring the extension of the value chain, creating always wider and more transversal links, become a necessity, more than an opportunity;
- to perform an active role within the TERRITORY and the AREA in which the company works. Particularly, the latter has understood that to be strong and competitive, it has to be able to take the challenge and to compete with profit in its own business area, but also if it is strongly rooted into its territory, both from a cultural and an operative point of view;
- to RECOGNIZE each self in the own brand;
- the promote EQUAL DIGNITY leading to the abolition of partial interests, to pursue a common advantage, the system synergies and the recognition of shared values;
- the promotion, the monitoring and the insurance of a well managed WORKING CLIMATE to carry out a careful policy aiming to obtain the higher QUALITY and allowing the company to distinguish itself on a market which is nowadays levelled out by a well trained global competition.

2.2. Magaldi mission

The mission of the group of Magaldi companies, well known on the global market as one of the leader in the production of Dry Bottom Ash Handling Systems, distinguishing itself to offer, from all over the world, innovative and dependable technologies and services to a growing number of Customers, who are becoming more and more satisfied, is:

“...everything is based on us, on our ability and will of working together, united and confident in realizing not only an industrial project but also a life project, based on inalienable ethical principles. To the Magaldi Executive is required to allow each member to express her/his abilities at best within a harmonious working climate, to promote the interaction with the abilities of the Colleagues and to build an invincible team working”.

2.3. Applied Strategies

The following strategies have been recognized as necessary to reach the aforesaid goals:

- the correct flow of information obtained thanks to transparency and participation;
- the application of an efficient QM system guaranteeing for the production activities will be carried out in a continuous and profitable way;
- the active and continuous involvement of the whole Personnel of the group of companies;
- the careful monitoring of operative activities aiming to keep up the standards and ensure an over time reliable production.

3. RELATIONSHIPS EMPLOYEES AND THIRD PART

3.1. Relationships with non-subordinate Collaborators

According to the job description him/her assigned and prepared by the HR Department, each Employee will carefully select qualified people having a good reputation, in order to start job relationships with them, and will expressly mention their obligation to conforming with this Code of Ethics.

3.2. Relationships with Customers and Suppliers

On managing relationships with Customers and Suppliers, each Employee of the group of Magaldi companies will follow the provisions of this Code of Ethics and supply products and services of high quality, which can satisfy the reasonable expectations of the Customer himself, also protecting his safety.

The Suppliers' selection will be carried out conforming with quality, price, convenience, ability and efficiency requirements, and with a continuous monitoring by the QA and the approval of the Purchase Department.

In the correspondence and dialogue entertained with the Suppliers, each Employee will always refer to correctness and good faith principles, not accepting any personal gift and/or any kind of reward from anyone for having carried out any of his/her duties.

In the Countries, where to offer gifts to Customers or to others is a practice, the group of Magaldi companies' Employees will be allowed to do so only if the gift in question has a symbolic value, however always conforming with the applicable laws, the commercial uses and the code of ethics - if known - of the liaised companies or organizations.

3.3. Relationships with the Civil Service and/or public institutions

The relationships with the Civil Service and governmental institutions will be strictly conforming with all the applicable laws and regulations and they cannot absolutely compromise the integrity and the reputation of the group of Magaldi companies.

3.4. Relationships with authorities, other regulating bodies and political and trade unions

The Executive undertakes to give full and faithful observance of the rules provided by the Competition and Government Authorities, promoting the compliance of its Employees to every application required by the inspectors of these bodies, also cooperating in the inquiry procedures.

3.5. Non Profit initiatives

The group of Magaldi companies has been always committed to support Social Initiatives, by continuously pursuing positive actions addressed to the communities in which it operates.

4. GOOD CORPORATE GOVERNANCE

4.1. Corporate Governance

The good Corporate Governance consists, within the group of Magaldi companies, of a set of rules, at each level (laws, regulations, etc), which discipline the Executives to achieve the interests of all the Stakeholders. The result obtained is to promote one of the today's fundamental values: the CORPORATE REPUTATION.

4.2. Internal auditing

Each Manager of function will spread the company culture which is characterized by the importance of internal audits, as a really useful instrument meant for carrying out an efficient business management control system. Such audits will be carried out by using necessary and/or useful instruments for directing, managing and carrying out the activities of the group of Magaldi companies, in order to ensure the observance of laws and company procedures, to protect the company's goods, to efficiently manage social activities and to provide correct and clear information on their balance sheet and economic position.

Each Magaldi Employees is bound, as regards his/her competence, to:

- register and transmit reports about the work carried out according to his/her competence;
- responsibly preserve the company's goods, both tangible and intangible, including also those which are instrumental for the activity carried out by him/her and not to use them improperly.

The internal Auditing Staff and the Companies Responsible for the Revision are allowed to all data, documents and any information useful for carrying out internal control and auditing activities.

5. PERSONNEL POLICIES AND WORKING CLIMATE

The group of Magaldi companies applies the most modern and highest standards conforming with the rules and the principles provided by the Authorities Responsible for the markets and in compliance with the Personnel and Working Climate Policies.

5.1. Human Resources

The Human Resources are the necessary facility of a firm and if they are properly managed, they result to be strategic for the existence and the future development of the company itself.

The last, conforming with the most modern policies of assessment⁷, provides that the individual dignity is respected and that the law regulations, as regards accident prevention and safety at work, are observed.

In order to trace and enhance the abilities and competences of each Employee, the group of Magaldi companies has studied specific procedures and operational Personnel management instructions, pursuing the aim of expressing everyone's potentialities at the best.

The continuous and careful monitoring of the roles, the competences and the related assigned tasks, allows the Magaldi Managers appointing each Employee to carry out specific and appropriate activities.

5.2. Equal opportunities

To each Employee is given the same opportunities of professional growth for his/her merit and competence, and personal attitudes criteria are applied to everyone, in order to guarantee an equal treatment, regardless of sex, age, nationality, religion and ethnic group to which they belong.

Each Employee is bound to observe the company's instruction and regulation studied and implemented, for a correct carrying out of the work assigned with regard to Equal Opportunities.

Each Employee will be informed about this Code of Ethics and the behaviours prescribed by it. To such an end the Managers and the Employees responsible for the different departments and functions will be the persons to report to, within their own organization structure, any clarification requests, also those which concern the present Code of Ethics.

5.3. Staff Relationship and Working Climate

The promotion of a proper and correct behaviour, aiming at improving the company's Working Climate, is nowadays considered a critical factor of success which facilitates and supports the modern company's Best Practice.

The Managers and the Employees responsible for the different company departments and functions are entrusted with continuous monitoring and improvement of the company's Working Climate.

5.4. Harassment at work

The Policy of the group of Magaldi companies as regards to the interpersonal relationships will not admit that any harassment could be suffered within internal or external working relationships.

5.5. Alcohol or drug abuse

Each Employee will not carry out his/her work while is under the effect of alcohol or drugs, or of substances which could cause the same effects, and will avoid any Colleague to consume such substances while performing his/her work.

Chronic alcohol or drug dependence will be considered in the same way as the foregoing cases, because they have a negative effect on their job activity and can upset the carrying out of them.

5.6. Internal rules as regards smoking

The group of Magaldi companies support those who feel not at ease for the presence of smoking people and who, being in the condition of a working life in common, asks for being preserved from suffering “passive smoking”, by imposing specific prohibitions and the observance of what is provided by the civil law nr.3/2003-art.51, as regards the protection of non smokers’ health.

5.7. Environment and working safety protection

The group of Magaldi companies will observe the laws and the regulations in reference to the prevention of accidents and safety at work, providing specific operative directions, which each Employee will have to stick to, within his/her own function, in order to actively participate to the process of risk prevention, and environment, health and safety protection.

Particularly each Employee has to participate in the production and promotion of products and processes which must be without any impact on the environment and characterized by a greater and greater care of safety at work.

Within the group of Magaldi companies, the function responsible for the Environment and Safety Management System has the task of settle and monitor each business process with reference to the principles of the environment protection, pursuing the objective of preventing the safety and the health of who is involved in the company’s processes.

5.8. Confidential data handling and protection of Privacy

Signing for acceptance this document each employee/collaborator declares to be completely informed that the popularization of the Magaldi business data could cause extremely serious damages for the group companies’ activities and that the voluntary transmission of reserved data is criminally prosecutable.

Considering what provided by the art. 2105 of the Italian Civil Code and subsequently to the enforcement of the Italian Collective Labour Agreement, each Employee is, also after the resolution of his/her individual labour agreement, legally bound and committed to ensure the complete and absolute confidentiality/secretcy of each information, news, strategies, resources, procedures, terms and any knowledge acquired or treated because of the working activity carried out.

Each Employee explicitly commits to compensate for any damages, including the indirect ones – patrimonial and non-patrimonial – accrued or which may be accrued by the infringement of this confidentiality agreement.

Steadying the prohibition to spread the information regarding projects, services, drafts, procedures, organization, production methods and strategies and/or commercial relationship of the company or to use them in a way as to cause any kind of damage to it, each Employee will:

- acquire and handle only the necessary data useful for the direct execution of one's own working duty and in direct relation to one's own functions;
- acquire and handle the above mentioned data only in compliance with specific procedures;
- keep the above mentioned data in a way as to avoid that not authorized third parts, including work Colleagues, could acquire them;
- communicate the above mentioned data in compliance with specific procedures and/or upon explicit authorization of the Executives and, in any case, only after being sure that such data can be divulged;
- be sure that there does not exist any unconditional restriction respect to the publication of the information concerning third parts which are in any kind of relationship to the group of Magaldi companies and, if necessary, ask his/her the Company's Manager to be authorized to the treatment of this data;
- hand over, after the resolution of the working relationship, any document and/or act, be it in written, electronic and/or other IT form, acquired during the working period.

The breach of this confidentiality agreement will determine the Employees obligation to compensate the company for any damage, be it direct or indirect, standing, anyway, the group of Magaldi companies' rights to require the compliance with this agreement.

For any aspect not mentioned in the present document please refer to what disposed by the national agreement in force C.C.N.L8., the Order in Council n° 276/2003, and the Italian Laws and Regulations regarding the Employment agreements.

Besides, please be informed that, in compliance to the article n° 13 of the Order in Council n° 196/2003, the personal data already acquired and that will be acquired, during the working relationship, in order to manage the relationship established with the local Social Security Authority, the Financial Administration and the Credit Institutions for the payment of the retributions, will be managed for the suitable finalities.

The aforesaid Personal data will be managed by the HR staff, the IT department or by any other suitable in order to guarantee the safety and the confidentiality of the data themselves.

5.9. The Insider Trading and the use of privileged information

All the Employees and non-subordinate Collaborators of the group of Magaldi companies will have to observe the rules, both national and international, as regards to the Insider Trading⁹, where the so called "price sensitive" (rating, solvency, stock option, etc.) information become relevant.

The communication of such information to third part will be carried out only by authorized subjects and, in any case, according with the ruling dispositions in force.

Moreover no Employee or Collaborator will take direct or indirect, personal or patrimonial advantage from the use any information acquired while they are not of public domain.