

USCO



PASSION FOR PARTS

CODE OF ETHICS

Rev

0

Dated on

December 18th, 2020

Pages nr

24

Review Description

Approval by the Board of Directors

CONTENTS

1.FOREWORD AND APPLICATION TO GROUP COMPANIES	5
2.RELEVANT ETHICAL PRINCIPLES IN ORDER TO PREVENT OFFENCES PURSUANT TO LEGISLATIVE DECREE 231 ACCORDING TO GUIDELINES FOR ESTABLISHING ORGANISATION, MANAGEMENT AND CONTROL MODELS AT CONFINDUSTRIA	7
3.OVERRIDING PRINCIPLES	11
3.1. SCOPE AND RECIPIENTS OF THE CODE OF ETHICS	11
3.2.PRINCIPLES AND MORAL VALUES	11
3.3.RELATIONS WITH THE ORGANISATION, MANAGEMENT AND CONTROL MODEL PURSUANT TO LGS. D. 231/01 ...	14
4.CODES OF CONDUCT	16
4.1.OVERRIDING CODES OF CONDUCT IN RELATIONS WITH COUNTERPARTS	16
4.1.1.Corporate information management	16
4.1.2.Gifts, free samples, benefits.....	17
4.1.3.Communication and relations with the press and mass-media	17
4.2.CODES OF CONDUCT IN RELATIONS WITH EMPLOYEES.....	17
4.2.1.Staff recruitment	17
4.2.2.Establishing an employment relationship	18
4.2.3.Managing human resources	18
4.2.4.Individual integrity and protection	18
4.2.5.Health and safety	18
4.2.6.Privacy policy.....	19
4.2.7.Safeguarding and using corporate assets	19
4.2.8.Use of IT systems	19
4.3. CODES OF CONDUCT IN RELATIONS WITH THIRD PARTIES	20
4.3.1.Customer relations.....	20

<i>4.3.2.Product Quality and Safety</i>	20
<i>4.3.3.Vendor relations</i>	21
4.4.CODES OF CONDUCT IN RELATIONS WITH THE COMMUNITY AND PUBLIC ADMINISTRATION OFFICES	21
<i>4.4.1.Environmental issues</i>	21
<i>4.4.2.Political parties and trade unions</i>	22
<i>4.4.3.Contributions and sponsorships</i>	22
<i>4.4.4.Rapporti con la Pubblica Amministrazione</i>	22
5. ACCOUNTING TRANSPARENCY	23
6.PROVISIONS	25
7.SUPERVISION AND VIOLATIONS OF THE CODE	25
7.1.CONTROL OF THE CODE OF ETHICS	25
7.2.VIOLATIONS	26
7.3.REPORTING	26
8.ENTRY INTO FORCE AND PROCEDURES FOR AMENDMENT	28

1. FOREWORD AND APPLICATION TO GROUP COMPANIES

On the 18th December 2020 USCO S.p.A. (hereinafter also referred to as “Company” or “Parent Company”), has approved this Code of Ethics aimed at outlining the values, principles, commitments and ethical or behavioural responsibilities which shall be followed both by the Parent Company and by Italian and foreign companies controlled directly or indirectly by the latter (hereinafter also referred to as “Group companies”), in managing its corporate activities.

Each one of the Group companies is expected to guarantee compliance with the principles and values detailed below, also by outlining specific policies or procedures which shall take into account regulations and practices at local level, with regard – specifically though not exclusively – to topics associated with the prevention of corruption and money laundering risks, cooperation and lawfulness in Public Administration, preventing discriminatory conducts, safeguarding the environment, as well as employee’s health and safety, and – more in general – adequate working conditions, fairness in relations with customers, suppliers and competitors, transparency in accounting and privacy matters.

Before issuing these policies and procedures, each of the Group companies shares with the Parent Company the main elements included in the relevant documents.

Moreover, each of the Group companies shall follow a proactive approach when starting information and training campaigns on the aforesaid topics, if necessary liaising with the Parent Company’s management.

USCO is a leader in the production and supply of components for earth-moving equipment: undercarriage, G.E.T (ground engaging tools) and repair parts.

The Group includes manufacturing and distribution structures located in key markets at international level. This allows for constant expansion of our product range.

USCO is committed to promoting fairness and transparency in the way its business and corporate activities are conducted, to safeguard its goodwill and image, as well as the work done by its employees.

The Company is aware of the importance of having a suitable in-house control system to prevent illicit behaviours by its directors, employees, co-workers, representatives and trade partners.

The objective of this Code of Ethics is to communicate and enhance the commitment by Group companies to pursuing an ethical and responsible management of its activities, as well as to promote consistent behaviours by its staff, in order to consolidate the trust relationship with all stakeholders.

This Code of Ethics includes a detailed list of conduct criteria which shall be followed in all Group company activities, by its employees and by all those who are in any way involved in the company’s business.

2. RELEVANT ETHICAL PRINCIPLES IN ORDER TO PREVENT OFFENCES PURSUANT TO LEGISLATIVE DECREE 231 ACCORDING TO GUIDELINES FOR ESTABLISHING ORGANISATION, MANAGEMENT AND CONTROL MODELS AT CONFINDUSTRIA

This Code of Ethics is an independent document, aimed at establishing ethical-behavioural principles which all Recipients – as specified below – are expected to follow; nevertheless is it closely related to the prevention action of relevant offences pursuant to Lgs. D. 231/01 implemented through the adoption of the Organisation, Management and Control Model approved by the Board of Directors on the 18th December 2020.

The Company has agreed to follow a Code of Ethics and an Organisation, Management and control Model approved by its Board of Directors, which include all the rights, duties and responsibilities of the Company and of all its staff in respect of “stakeholders” (employees, vendors, clients, Public Administration, banks, etc.).

If the said principles are infringed, the Company shall refer to its disciplinary system, divulged to Recipients through the said Code of Ethics and the Organisation, Management and Control Model, which may involve sanctions commensurate to the seriousness of the violations involved.

The Code of Ethics includes specific measures aimed both at preventing voluntary offences from being committed, and at protecting employees’ health and safety and the environment, through a synergy action with the Organisation, Management and Control Model and Governance Systems implemented by the Company.

Below is a list of rules of behaviour which recipients are expected to follow in their relations with the various counterparts, most notably with the Public Administration and civil servants.

This code is based on the following principles:

- The companies in the Group shall follow, as a prerequisite, all laws and regulations in force. Each employee shall abide by the laws and regulations in force in the countries where the Group operates. This commitment is also required from consultants, vendors, clients, and anyone who has business relations with Group companies; the latter shall refrain from starting or pursuing business with those who do not agree to follow this guideline. Employees shall be made aware of the relevant laws and behaviours; therefore – if they have any doubts or uncertainties regarding specific regulatory issues – they shall consult the relevant company Offices or the professionals supporting the company in that regard. For the same purpose the Company has developed a training and awareness-raising programme on issues pertaining to corporate business regulations and the principles stipulated in this Code of Ethics, as well as in the Organisation, Management and Control Model.
- Any operation and transaction shall be duly recorded, authorised, verifiable, legitimate, coherent and consistent. All actions and operations by Group companies need to be appropriately recorded, and it must be possible to verify the decision-making, authorisation and implementation process.

All corporate offices shall keep adequate documentary support to allow, at any time, to carry out inspections on the characteristics and reasons for the operation.

- Having regard to relations with the Public Administration, civil servants and public service concessionaries, the term corruption shall refer to both illicit payment and the provision of other utilities, even through people acting on behalf of Group companies, either in Italy or abroad. It is forbidden to offer money or gifts to Public Administration managers, officials or employees or to their relatives, Italian or foreign, unless these are gifts or utilities of limited value. The Group companies shall review any documents adopted by public bodies with which it establishes relations, with a view to making their employees aware of any more stringent and/or different rules which the public body may have chosen. Moreover, it is forbidden to offer or accept any item, service or performance with a view to more favourable treatment in any relation with Public Administration offices.
- In the course of any negotiation, request or relation with the Public Administration, the staff in charge shall refrain from attempting to unduly influence the counterpart's decisions, including those of officials negotiating or deciding on behalf of the Public Administration. When tendering for a public contract and delivering the relevant goods and services, all Recipients are expected to operate in compliance with the law and correct business practices.
- If the Group companies avail themselves of consultants or third parties as representatives in relations with the Public Administration, the same rules of behaviour and control apply as to employees. Moreover, any consultant, professional or third party representing the Group companies in respect of the Public administration shall promptly inform their contact person within the company about any situation – presumed or ascertained – involving conflict of interest.
- During a negotiation, request or business relation with the Public Administration, it is forbidden to engage (directly or indirectly) in the following actions:
 - review or suggest employment and/or commercial opportunities to the advantage of Public Administration officials on a personal level;
 - offer, or in any way provide, gifts, also in the form of reserved corporate promotions to Public Administration officials, for instance by reimbursing travel expenses;
 - eliciting or obtaining confidential information which may jeopardise the integrity or reputation of either party.
- It is forbidden to enter agreements or give work or professional assignments – for three years after the civil service relationship has been terminated – to former public officials who, according to Art. 53 (16-ter) of Lgs. D. 30 March 2001 no. 165, have exercised authority or negotiating powers on behalf of the Public Administration over the past three years, pursuant to Art. 1 (2) of the said Decree, if the Company or its Italian subsidiaries have been recipients of public administration services by virtue of the said powers. Starting from the date on which Law 190/2012 came into effect, any agreements entered and assignments given in violation of this provision shall be null and void; those private entities who have entered or given them shall refrain from negotiating with public administration offices for the three years thereafter, as well as being expected to return any consideration they might have received and which has been ascertained in relation thereto.

- Any actual or potential violation of the aforesaid principles by employees or third parties representing the Company shall be promptly reported to the offices in charge and to the Supervisory Authority according to Lgs. D. 231/01.

Moreover, having regard to industrial Health and Safety aspects, the Company and its Italian subsidiaries shall set out and divulge all fundamental principles and criteria based on which any decisions regarding industrial health and safety are taken. In view of the provisions in Article 15 of legislative Decree 81 of 2008, the corporate system for industrial health and safety protection has accepted the principles and criteria listed below:

- a) eliminate risks, or – if this is not possible – reduce them to a minimum with regard to knowledge acquired through technological progress;
- b) assess all risks which cannot be eliminated;
- c) reduce risks at the source;
- d) follow ergonomic and salubrity principles on the workplace, in work organisation, in the design of work stations, in choosing work equipment, in establishing work and manufacturing procedures;
- e) replace anything which might prove dangerous with something harmless or less dangerous;
- f) plan measures which are deemed appropriate to guarantee enhancement of safety levels, also through the choice of codes or conduct and best practices;
- g) give priority to collective protection measures over individual protection measures;
- h) impart suitable instructions to employees.

These principles are followed by the Company and its Italian subsidiaries to take the necessary measures for the protection of health and safety on the workplace, including the prevention of professional risks, information and training of employees, as well as allowing for appropriate organisation and resources. For this purpose, the Company is certified according to the UNI EN ISO 45001 standards, attesting to the existence of an effective System for Management and Continuous Improvement of all aspects related to industrial Health and Safety on the workplace.

As regards activities with a potential environmental impact, the Code of Ethics includes the commitment of company top executives to comply with legislation on environmental matters and to implement preventive measures to avoid, or at least reduce to a minimum, the environmental impact. More specifically Group companies undertake:

- a) to implement suitable measures to reduce and – if possible – eliminate any negative impact of their business activities on the environment;
- b) to prioritise measures aimed at preventing damage to the environment, rather than waiting to repair damage which has already occurred;
- c) to plan accurate and constant monitoring of regulatory developments on environmental matters;
- d) to promote the values related to formation and sharing of the code among all persons working for Group companies, making sure that they abide by the agreed ethical principles.

The Company is certified according to the UNI EN ISO 14001 standard, which attests to the existence of an effective system for managing and improving all environmental aspects related to the company's business. The award of this certification, apart from showing its awareness of environmental issues, highlights its concrete commitment to sustainable development.

Sharing of these values is extended to persons working with the Company by virtue of negotiating relations, through the relevant contractual clauses.

Failure to comply with the provisions of the Code of Ethics and of the Organisation, Management and Control Model may lead to enabling the sanctioning mechanism, specifically stipulated by Lgs. D. 231/01, regardless of a penal action having been started for the alleged offence. For an effective implementation of the Code of Ethics and of the Organisation, Management and Control Model, the disciplinary system needs to be activated in order to prevent behaviours possibly leading to the offence from being committed.

3. OVERRIDING PRINCIPLES

3.1. SCOPE AND RECIPIENTS OF THE CODE OF ETHICS

The Code of Ethics, approved by the Board of Directors, is aimed at the directors, auditors, employees of USCO S.p.A. and of the latter's subsidiaries, and to all those working on a permanent or temporary basis on behalf of the Group's companies (hereinafter also referred to as "Recipients").

The Recipients are bound by the provisions in this Code of Ethics for the whole duration of their relationship with Group companies and of their contractual commitments to the latter.

The Board of Directors and the Board of Auditors shall follow the values and principles of this Code of Ethics when exercising their activities.

The Board of Directors, when selecting the company's objectives, suggesting and implementing strategies, investments and projects is expected to comply with the principles in the Code of Ethics.

The top management of Group companies is expected to abide by the contents of this Code of Ethics in developing processes, suggesting and implementing activities and actions which are necessary to pursue the Group's objectives.

All employees shall follow the Code of Ethics on the workplace, adjusting their behaviours and actions to the principles contained therein, notwithstanding the duty to comply with laws and regulations in force. Staff members without an employment contract with Group companies, as well as trade partners involved in various capacities in business with the Companies, when dealing with USCO S.p.A., are always expected to adjust their behaviours to the provisions in the code of Ethics.

This code of Ethics is valid in Italy and abroad, taking into account the cultural, social and economic diversity of the various countries in which Group companies operate.

3.2. PRINCIPLES AND MORAL VALUES

The following principles are a prerequisite and fundamental asset for the Company, which intends to base its development on a reputation which is solid and loyal to the said values.

The Recipients shall always follow the said principles in the course of their activities.

- ***Honesty and legality***

USCO S.p.A. shall follow all laws and regulations in force, as well as honesty and transparency principles. The Group companies shall comply with regulatory provisions in force in all countries where they operate. In no case shall pursuance of the interest of the Company or of its subsidiaries justify a different conduct. The Company rejects and refuses any action associated with organised crime.

- ***Professionalism***

The Group company's business shall be conducted in a committed and strictly professional manner.

Relationships among employees, at all levels, shall be based on criteria of fairness, cooperation, loyalty and mutual respect.

- ***Impartiality, dignity and equality***

In work relations and corporate decisions, the Group companies shall avoid any discrimination based on age, language, gender, sex orientation, health status, race, nationality, political opinions or religious beliefs of their counterparts.

All Group companies are committed to respecting personal dignity, the private sphere and everyone's individual rights at all levels.

- ***Confidentiality and protection of information***

USCO S.p.A., in accordance with legal provisions in force, shall ensure confidentiality of information in its possession, agreeing to protect any confidential, sensitive or personal data of its employees or of third parties.

The company's information is considered an essential asset in order to achieve its objectives. Therefore, each Recipient is expected to preserve the said information assets by avoiding inappropriate use of data and corporate information.

- ***Loyalty, fairness and good faith***

The Group companies always act fairly and in good faith.

All situations shall be avoided in business settings where the persons involved are – or might even just appear to be – in conflict of interest.

- ***Respect for individuals***

USCO S.p.A. safeguards and promotes the value of its human resources, with a view to improving and enhancing the value of the competence of each employee.

- ***Protecting the environment, safety and health***

The environment is a primary asset which the Company is committed to safeguarding.

USCO S.p.A. and its subsidiaries manage their activities and organise processes and production sites with a view to preserving the environment where they operate and to comply with regulations in force on the subject of environmental protection.

The Company is committed to achieving the highest standards of health and safety and guarantees that the necessary prevention measures shall be taken against injuries and diseases on the workplace, in full compliance with the provisions of Lgs. D. 81/2008 (Consolidated Law on the subject of safety), as subsequently amended and integrated, as well as with all other regulations in force on the matter.

All Group companies shall guarantee the physical and moral integrity of their employees, work conditions mindful of human dignity, as well as safe and healthy work environments.

For this purpose the Company has been awarded the following certifications:

- UNI EN ISO 45001, attesting to the existence of an efficient System for Management and Continuous Improvement of all aspects related to Health and Safety of employees on the workplace;
- UNI EN ISO 14001, attesting to the existence of an effective system for management and improvement of all environmental aspects related to the company's business. The award of this certification, apart from showing the company's awareness of environmental issues, confirms its concrete commitment to sustainable development.

▪ ***Safeguarding copyright and intellectual or industrial property***

The Group companies guarantee respect of intellectual and industrial property rights of third parties, banning any inappropriate use of brand names and insignia.

The Group companies shall also follow all provisions in terms of confidentiality, divulging data and information, especially with regard to industrial and intellectual property rights, avoiding any behaviours which might infringe, even just potentially, other persons' industrial and intellectual property rights.

▪ ***Correctness and fair competition***

USCO S.p.A. safeguards the value of fair competition on the market.

The companies in the Group aim their activities at meeting their clients' requirements, which means looking for high quality standards in their products.

In this regard, the Company has been awarded the UNI EN ISO 9001 certification, which attests to the existence of a system for corporate quality management, compliant with a standard of excellence. This certification proves that the company has implemented all in-house measures aimed at responding to quality requirements aimed at improving its corporate processes.

The companies in the Group shall refrain from collusion, predatory or violent behaviours and abuse of dominant positions; therefore it is absolutely forbidden to engage in scams, intimidations or deceptions of any kind, thus preventing the creation of any kind of hindrances to free trade and industrial activities by third parties.

▪ ***Relations with the Public Administration and Institutions***

All Group companies manage their relations with Public Administration offices and with Institutions in accordance with principles of lawfulness, honesty, transparency and clarity, abiding by the legislation in force in all countries where they operate and refraining from behaviours which may be interpreted, even just in abstract terms, as corruption or intimidation.

▪ ***Transparent and truthful information, financial statements and company correspondence***

In managing the various corporate activities, USCO S.p.A. shall provide comprehensive, transparent and accurate information.

The Group companies guarantee, in accordance with all regulations in force, that the principles of transparency, truthfulness and comprehensiveness in drafting and forwarding any document which includes economic, equity or financial data are always followed.

3.3. RELATIONS WITH THE ORGANISATION, MANAGEMENT AND CONTROL MODEL PURSUANT TO LGS. D. 231/01

Apart from this code of Ethics, the Company has adopted the Organisation, Management and Control Model pursuant to Lgs. D. 231/01.

The Code of Ethics is of a general nature, and represents the instrument chosen independently by the Company, even though reference is made to relevant behaviour principles for the purposes of the Model.

This Code of Ethics is in line with the guidelines for organisation, management and control models [“Linee Guida per la costruzione dei modelli di organizzazione, gestione e controllo”] pursuant to Lgs. D. 231/2001, issued by Confindustria.

In this regard, whereas the Code of Ethics concerns the behaviour of Recipients of the latter in general, the Organisation, Management and Control Model, intended as instrument with a specific aim and relevance pursuant to Lgs. D. 231/01, is a response to specific provisions included in the said Decree, aimed at preventing clearly-defined types of offences; the latter, through apparently committed to the advantage of the Company, may actually lead to administrative crime responsibility on the latter’s part, according to the provisions in the said Decree.

4. CODES OF CONDUCT

4.1. OVERRIDING CODES OF CONDUCT IN RELATIONS WITH COUNTERPARTS

4.1.1. Corporate information management

Any data, information, knowledge acquired, processed and managed by the Recipients in the course of their activity shall remain strictly confidential and be duly classified; they may not be used, communicated or divulged – either in-house or outside Group companies, unless compliance with the regulations in force and with corporate procedures is ensured.

By means of example, and not comprehensively, confidential information includes:

- corporate, strategic, economic/financial, business, management, operational plans;
- projects and investments;
- personnel data;
- company and trade agreements;
- indicators of the company's performance and productivity levels;
- information covered by intellectual or industrial property rights, know-how related to production, development and marketing of products and services;
- corporate databases.

The Recipients, in processing the said data and information, shall pay the utmost attention and safeguard confidentiality, refraining from divulging Group companies' confidential information and from using it for purposes other than those related to their business activities. The Recipients shall also:

- collect and process data and information in compliance with specific corporate procedures;
- store data and information in order to prevent unauthorised persons from becoming aware of them;
- transfer data and information to third parties only if they have been expressly authorised to do so by the data processors in charge, making sure that the data in question can be divulged;
- in the event of third-party data and information being collected, make sure that there are no constraints on their being divulged, through prior consent of the data subjects involved if the said data and information are to be transferred.

All information made available to Group companies shall be processed respecting confidentiality and the privacy of all data subjects, with specific reference to the provisions in EU Regulation 2016/679¹ and - for Italian Group companies - to Lgs. D. 196/2003², which all Recipients are expected to follow.

¹EU Regulation 2016/679 of the European Parliament and Council of 27 April 2016 on the protection of natural persons with regard to the processing of personal data and to the free movement of such data, and repealing Directive 95/46/CE (General Data Protection Regulation, or GDPR).

²Code on the subject of personal data protection with provisions for incorporating into domestic legislation Regulation (EU) no. 2016/679.

4.1.2. Gifts, free samples, benefits

It is expressly forbidden to distribute free samples and gifts other than those considered part of standard corporate practices (i.e. any gift offering in excess of standard business practices or common courtesy). Allowable free gifts shall always be of limited value.

More specifically, it is forbidden to give any form of gift to public officials in Italy and abroad (also in countries where offering gifts is standard practice), or to their family members, if this may affect their independent judgement or induce them to grant any undue advantage to the company.

Company directors, top executives and their employees are entitled to accept gifts and other free samples from third parties who have or might have relations with the Company, within the limits of normal courtesy relations, and only if they are of limited value.

It is forbidden to accept gifts in the form of cash or goods which can be easily converted in cash.

4.1.3. Communication and relations with the press and mass-media

Any outside communication of documents and information concerning Group companies, of any nature and in any form, needs to comply with all laws and professional conduct practices in force, be transparent and clear, as well as to be expressly authorised by the company managers in charge.

It is forbidden to divulge fake or confidential news concerning USCO S.p.A., its employees or staff.

Recipients shall abide by these codes of conduct and refrain from behaviours aimed at gaining undue advantage with the press and mass-media.

4.2. CODES OF CONDUCT IN RELATIONS WITH EMPLOYEES

4.2.1. Staff recruitment

Staff assessments shall be made according to equal opportunity principles and based on the actual possession of know-how and skills.

The Office in charge of human resources, within the limits of the information available, shall take suitable measures to prevent favouritism, nepotism or clientelism during staff selection or recruitment stages.

4.2.2. Establishing employment relations

All employees are hired with a regular work contract; no form of employment shall be tolerated unless it is compliant with the laws in force and with applicable national collective labour agreements.

When establishing a work relation, each employee shall receive information about the job description and the tasks at hand, as well as about salary components and mandatory procedures.

4.2.3. Managing human resources

USCO considers that dedication and professionalism of employees are paramount values and conditions for the achievement of corporate objectives.

All Group companies are committed to developing the abilities, competences and potential of each employee, making sure that all their human resources are given equal work conditions and opportunities.

The company managers in charge shall:

- follow criteria based on merit, competence, and which are in any case strictly professional for any decision related to an employee;
- manage human resources without any discrimination, creating a work environment where personal characteristics should not lead to favouritism.

All Group companies expect from their employees, at all levels, that they cooperate in establishing a climate conducive to achieving corporate objectives, based on mutual respect.

Group companies deplore any injurious or defamatory interpersonal attitudes, and shall intervene to prevent them. Recipients are expected to abide by these codes of conduct.

4.2.4. Individual integrity and protection

USCO S.p.A. shall invest suitable resources in order to guarantee protection of the work conditions and to safeguard the psycho-physical integrity of its employees.

All Group companies are committed to safeguarding the moral integrity of their employees and staff, ensuring the right to work conditions which are mindful of personal dignity.

No discriminations, harassment and insults of a sexual, personal or of any other nature shall be tolerated.

All Recipients are bound by these codes of conduct.

4.2.5. Health and safety

All Group companies shall guarantee full compliance with regulations on the subject of industrial health and safety, with specific reference - although not exclusively – for Italian Group companies, to Lgs. D. 81/2008 as amended and integrated, through the analysis, monitoring, prevention and management of risks related to professional activities.

Recipients shall comply with all procedures, as well as with mandatory prevention and safety measures.

The Company is certified according to the UNI EN ISO 45001 standard, which attests to an effective system for the Management and Continuous Improvement of all aspects related to industrial Health and Safety in respect of its employees.

4.2.6. Privacy policy

Group companies shall guarantee full compliance with all provisions on the subject of personal data confidentiality and privacy protection, following the standards required by law for data processing (EU Regulation 2016/679 and Lgs. D. 196/2003 for Italian companies in the Group, as subsequently amended and integrated).

Having regard to the processing of employee's personal data, Group companies shall implement specific measures aimed at informing the latter about the nature of data, processing procedures and scope of communication.

All Recipients are expected to implement all procedures and safety measures which are mandatory according to the regulations in force, to corporate procedures, and to refrain from using data for purposes unrelated to their business activities.

4.2.7. Protecting and using corporate assets

Corporate assets include tangible assets (e.g. cars, computers, printers, equipment, real estate, infrastructures, etc.) and intangible assets (e.g. know-how, information covered by industrial secrecy, names of strategic vendors, etc.).

Preserving these assets is a fundamental value to safeguard corporate interests.

All Recipients, in performing their duties towards the company, shall protect corporate assets and prevent their fraudulent or improper use.

Any use of corporate assets by Recipients shall be exclusively in function of the job description or of the purposes established by Office managers.

4.2.8. Use of IT systems

All Group companies shall approve policies for the management of IT systems to guarantee health and safety of applications, data and equipment.

Recipients are expected:

- to comply with and apply these policies, with reference specifically – although not exclusively - to managing and protecting passwords and access to systems;
- to refrain from copying any software and applications installed on the systems;
- not to install any software systems or applications without having been authorised by the Offices in charge;
- to avoid behaviours which might jeopardise the safety, integrity or usability of data.

4.3. CODES OF CONDUCT IN RELATIONS WITH THIRD PARTIES

4.3.1. Customer relations

USCO manufactures and delivers components for earth-moving equipment: undercarriage, G.E.T (ground-engaging tools) and repair parts.

Its negotiations and customer relations shall be based on openness and on compliance with principles of fairness, professionalism and transparency.

The behaviour of employees and of all Group companies' staff towards clients shall follow these principles and be aimed at delivering products and services of high quality, which meet customer expectations and requirements.

Communications and agreements with clients shall always be transparent, understandable, comprehensive and compliant with the regulations in force.

Group companies shall refrain from publishing any misleading or untruthful advertising messages.

In managing customer relations it is forbidden to promise or distribute gifts which exceed common courtesy standards, or to hand out undue utilities (cash, undue promises of hiring or utilities of any other nature) with a view to obtaining unfair benefits or advantages.

All Recipients are bound by these principles in their Customer relations.

4.3.2. Product Quality and Safety

USCO has chosen and constantly implement a set of procedures which allow for monitoring and control of the products delivered, to guarantee quality and safety according to the regulations in force and to the best reference standards.

For this purpose, all Group companies are constantly expected to implement product checks, during both the procurement and manufacturing phase, thereby making sure that quality levels agreed with customers are always guaranteed.

In order to keep a consistently high quality production level, the Company has been certified according to UNI EN ISO 9001, attesting to a corporate quality management system compliant with a standard of excellence. This certification proves that the company has implemented all in-house measures to meet the expected quality requirements aimed at improving its corporate processes.

4.3.3. Vendor relations

Procurement processes are based on equal opportunities for each vendor, on loyalty and impartiality. The processes of vendor assessment, qualification and selection are based on a search for the best balance between economic advantage and quality of products, materials, processing and services.

In the supply relations of goods and/or services, the Recipients shall:

- follow in-house procedures for vendor selection and relationship management;
- not prevent any interested company – provided that it meets the necessary requirements – from competing for a supply, following objective and documentable criteria when making their choice;
- abide by contractual conditions, maintaining an honest and open form of dialogue with vendors, in line with standard trade practices;
- make sure that vendors have the necessary means, also of a financial nature, as well as structures and capabilities to meet the Group's requirements.

Compliance with regulations on the subject of workers' rights and health and safety on the workplace by the vendor is regarded as an essential element and a prerequisite in any supply relationship.

4.4. CODES OF CONDUCT IN RELATIONS WITH THE COMMUNITY AND PUBLIC ADMINISTRATION

4.4.1. Environment

All Group company activities shall be conducted in accordance with the regulations on environmental protection.

Management activities shall make reference to advanced criteria for environmental protection, and corporate strategies shall take into account the development of processes characterised by increasing attention to environmental safety.

In this regard, all Group companies shall approve suitable measures to prevent damage to the environment and to the various ecosystems; this includes water basins, groundwater and water streams, soils, in particular when they are listed as protected areas, or atmospheric layers.

The Recipients, as part of their job description, shall take part in the risk prevention and environmental protection process.

The Company has been certified according to the UNI EN ISO 14001 standard, attesting to the existence of an effective system for managing and improving all environmental aspects related to its business activities. This certification, apart from proving the company's sensitivity with regard to the environment, highlights its concrete commitment to sustainable development.

4.4.2. Political parties and trade unions

USCO S.p.A. shall not pay any contributions, directly or indirectly and in any form, to parties, movements, committees and political organisations, to trade unions through their representatives and candidates, whenever there may be a conflict of interest.

Moreover the Group companies shall refrain from exercising any direct or indirect pressure on politicians and on representatives of trade unions.

4.4.3. Contributions and sponsorship

Group companies may agree to requests for donations and sponsorship, only if they come from bodies and associations, on condition that they can be proved to have a high cultural, charitable or social value. These sponsoring activities - potentially referring to sport, environmental, cultural or artistic topics - may be allocated only to initiatives and proposals from subjects with sufficient credibility, offering concrete opportunities for improving the company's reputation and enhancing its image.

In any case the Company – when assessing the acceptability of proposals – shall pay attention to any possible conflict of interest.

Any requests for contribution or sponsorship shall be authorised by the company's top management, in compliance with the system of corporate proxies and of task allocation criteria.

All Recipients are expected to abide by these codes of conduct.

4.4.4. Relations with Public Administration offices

The relationships with Public Administration offices, necessary for managing corporate activities, are reserved exclusively to persons which have been delegated for that purpose by Group companies.

These tasks shall be assigned in such a way as not to create conflicts of interest.

The relevant relations shall be based on the utmost transparency, clarity, fairness, and not lead to interpretations which are incomplete, unfounded, ambiguous or misleading by the public officials with whom relations have been established in various capacities.

All Group companies agree to ensure compliance with the regulations in force as regards relations with the Public Administration and to refrain from offering – directly or through intermediaries – sums of money or any other undue utilities to Public Officials or civil servant, in order to influence their activities when performing their duties.

The Group companies agree to scrupulously observe all rules dictated by the Authorities for compliance with the regulations in force on the subject of managing relations with individuals.

The Recipients shall abide by this code of conduct, respecting – within their areas of competence – the requirements from regulatory or supervision authorities, as well as providing their support in the course of audit activities.

5. ACCOUNTING TRANSPARENCY

Accounting transparency is based on the truthfulness, accuracy and completeness of basic information for the relevant bookkeeping records. Each employee is expected to collaborate to make sure that management data are properly and promptly recorded in the books.

For each operation or transaction, accurate supporting records need to be kept, to allow for:

- easy bookkeeping;
- defining the persons who have performed, and – if necessary – authorised the operation or transaction;
- accurate reconstruction of the operation or transaction, also in order to reduce the possibility of interpretation errors.

The operations and transactions need to be appropriately recorded in the company accountancy system, following all criteria stipulated by legal provisions and by the applicable accounting principles.

These recorded operations need to be authorised, verifiable, legitimate, coherent and consistent.

Each entry shall exactly reflect the contents of the supporting documentation.

Every employee is expected to make sure that the accounting records are easy to trace and organised according to logical criteria.

To ensure correctness and transparency of its accounting data, the Company shall voluntarily submit its financial statements and administrative-accounting processes to review by auditors with a proven experience and professional level.

The Recipients agree to comply with principles of transparency, professionalism and the utmost cooperation in relations with the independent auditors, Board of Auditors, and any other person in charge of auditing the company's administrative-financial data.

6. PROVISIONS

The companies in the Group shall make sure that the Code of Ethics is divulged; they are expected to organise information and instruction sessions to make sure that the Recipients are aware of its contents.

The Recipients, always in compliance with the laws and regulations in force, are expected to be aware of the provisions in this Code of Ethics and to adjust their actions and behaviours to the principles, objectives and rules of conducts in the said Code of Ethics.

More specifically, all actions, transactions and negotiations which are completed need to be based on the utmost fairness in management, thoroughness and transparency of information, legitimacy in terms of form and substance, clarity and truthfulness in accountancy records, as well as compliance with the rule of law.

The Recipients of the Code of Ethics shall refrain from conducts which in any way infringe the said Code.

The Recipients shall regard the company's interest as a priority. When carrying out any business activity they shall avoid situations where the persons involved are – or may even just appear to be – in conflict of interest; by the latter phrase reference is made to any situation where the subject pursues an interest other than that of the Company, of its subsidiaries, or engages in conducts which might interfere with the ability to make decision in the best interest of the said Group companies, when personal advantage is gained from business opportunities, or in the event of actions in contrast with the fiduciary duties related to an individual's position.

7. SUPERVISION AND VIOLATIONS OF THE CODE

7.1. CONTROL ON THE CODE OF ETHICS

The Supervisory Authority of USCO S.p.A. shall supervise compliance with the Code of Ethics.

The said Organisation, as defined in the Organisation, Management and Control Model according to Lgs. D. 231/01 approved by the Company, apart from the specific functions listed in the said Model, is in charge of making sure that the Company divulges and promotes compliance with the Code of Ethics.

7.2. VIOLATIONS

In the event of violations of this Code of Ethics, the Company – if this is considered necessary to protect corporate interests – shall take disciplinary measures against those responsible, according to current regulations.

Compliance with the Code of Ethics shall be regarded as an essential part of contractual obligations of Company employees, pursuant and according to the provisions in Articles 2104 and following of the Civil Code.

Any violation of the code of Ethics thus constitute breach of contract and/or disciplinary offence, with all the relevant consequences according to the regulations in force and to the national collective labour agreement.

In the event of a violation by executives, the most suitable measures shall be applied, in accordance with current regulations on the subject of contracts.

In the event of violations by the board of Directors or by Directors, the Board of Auditors shall take appropriate measures according to the law, involving the General Meeting if necessary.

In the event of a violation by one or more Auditors, the board of Auditors in its entirety and the Board of Directors shall take appropriate measures, including for example convening a Shareholders' meeting, as stipulated by law.

Any behaviours contrary to this Code of Ethics by employees, vendors or trade partners shall lead to penalties being levied or – in cases of serious default – to termination of the contractual arrangement, notwithstanding the possibility to claim compensation if the Group companies appear to have been damaged, even regardless of possible termination of the contractual arrangement.

7.3. REPORTING

Any violation, or assumed violation, of the Code of Ethics shall be reported in writing to the Board of Auditors which – in the presence of relevant risk profiles according to Lgs. D. 231/01, shall promptly notify the Supervisory Authority appointed in accordance with the said Decree.

At the end of the investigation phase, the board of Auditors and, in the event of significant risk profiles according to Lgs. D. 231/01, the Supervisory Authority shall consider whether the requirements are met to suggest to the Board of Directors that sanctions are applied which are commensurate to the seriousness of the event reported.

Any correspondence may be forwarded through the channel reserved to the Board of Auditors.

The Board of Auditors and, in the event of significant risk profiles according to Lgs. D. 231/01, the Supervisory Authority shall make sure that anyone who decides to file a report is not subject to any form of retaliation, discrimination or penalty, or to any consequence deriving from the latter.

Moreover the confidentiality of the person reporting shall always be guaranteed, notwithstanding the obligations of good faith and the legal provisions in force.

8. ENTRY INTO FORCE AND PROCEDURES FOR AMENDMENT

This Code of Ethics shall enter into force on the date of its approval by the Board of Directors of USCO S.p.A.

Any variation or integration is subject to approval by the said Board of Directors.

USCO



PASSION FOR PARTS