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**MAG AVIATION GROUP S.p.A.**

**CODE OF CONDUCT**

(Translation from Italian original which remains the definitive version)



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## **Introduction**

Since 1996, MAG Aviation Group S.p.A. (“MAG” or the “company”) has pursued excellence in applications for the national and international aerospace sector with professionalism and dedication.

MAG acts with the sense of responsibility which arises from the leading role played in the economic and social environment in which it operates. For this reason, it is committed to preserving and enhancing the relationship of trust it has built with all its stakeholders.

MAG has decided to formalise this Code of Conduct (or simply the “Code”) to share its values, principles and rules of conduct with all its stakeholders, in order to create a transparent environment in compliance with the ethical standards which are typical of a mature civil society.

All the addressees of this document should comply with the regulations in force in all the countries in which the company operates, by shaping their actions and behavior to the principles, objectives and commitments referred to in the Code. Should such regulations fall short of providing consistent rules of conduct, the instructions set out in the Code shall be the addressees’ guidelines.

In no case shall the pursuit of the company’s interest justify conduct which is against ruling laws and the rules of this Code; indeed, the latter should be considered a tool which is intended to ensure and safeguard MAG’s assets and reputation.

Therefore, the addressees should adhere to the principles and standards included in the Code, being inspired by them in their daily business conduct.



## 1. MISSION AND CORPORATE VALUES

MAG is active in the helicopter, business and general aviation markets, integrating style and technology to steadily improve the safety, comfort and quality of each flight.

In pursuing its mission, the company adopts the following values:

- **Integrity:** it acts with integrity and fairness, makes and implements its decisions with respect, and is always bound to the principles of honesty, equity and transparency. It respects the rules established by the laws of the countries in which it operates, it observes the Code and its internal corporate regulations. It ensures full respect of the individual's fundamental rights and equal opportunities. In relationships with parties inside and outside the company, it does not admit conduct that constitutes discrimination based on political beliefs, trade union affiliation, relation, race, nationality, age, gender, sexual orientation, health or, in general, any personal characteristic of an individual.
- **Responsibility:** MAG keeps its word and acts fulfilling its commitments with a sense of responsibility, steadily monitoring its performance and guaranteeing the results it promised.
- **Transparency:** MAG communicates transparently with its various stakeholders by providing them with complete, consistent and timely information to meet their lawful expectations. We ensure an open and trustworthy work environment, facilitating the exchange and sharing of knowledge and ideas.
- **Customer orientation:** MAG listens to its customers' requirements and provides them with innovative, high-quality and fair value products and services on a timely basis, pooling all its resources to achieve the best results.
- **Innovation:** MAG is deeply engaged in technological research and innovation. It faces change by contributing ideas and solutions, with flexibility and openness to the new. The entire workforce works together to continuously improve the company.



## **2. GENERAL PRINCIPLES**

### **2.1 Nature and objectives of the Code of Conduct**

This Code of Conduct is an integral part of the Organisational, management and control model approved by the board of directors with its resolution of 10 June 2011, subsequently revised on 21 February 2013 and on 19 December 2013. Any amendments or integrations to this Code will be approved in advance by the board of directors and communicated to the addressees as set out in point 2.2 below.

The Code of Conduct is an official document establishing the ethical principles respected by MAG, with which it identifies and to which all the parties with which it has contact must comply. The Code sets out the commitments and ethical responsibilities of MAG's employees and consultants when carrying out their daily jobs.

Its purpose is to make clear and clarify in an unambiguous and comprehensive manner compliance with these ethical standards to all those who work in MAG or are linked to it.

### **2.2 Addressees of the Code of Conduct**

The addressees may be split between mandatory and non-mandatory addressees.

The mandatory addressees are obliged to comply with the Code and may be punished if they violate it. They are all those persons who, in any way, act in the name of, or on behalf of, in the interests of or to the advantage of the company, regardless of the legal description of their work relationship, whether they are subject to the company's discretionary authority or they represent the company towards third parties.

Specifically, directors, statutory auditors, employees, managers and contractors as well as any person who manages and controls MAG. Other mandatory addressees are persons with any employment contract, including temporary, with MAG, such as temporary or project workers, agents, consultants, partners and any other parties who carry out activities in the name of or on behalf of MAG or are under its control.

Non-mandatory addressees are those that are not subject to sanctions for violations of the Code of Conduct. They are suppliers, partners and consultants when they do not carry out activities in the name of or on behalf of MAG and all beneficiaries of MAG's activities and its stakeholders.

Compliance and sharing of the Code of Conduct may be a criterion in selecting parties with which to operate in the case of the non-mandatory addressees. The relevant department obtains assurance that they are willing to comply with the Code of Conduct.

MAG prefers those stakeholders who adapt their conduct to ethical principles that can be shared and are in line with those expressed in the document.

### **2.3 Compliance with the Code of Conduct**

MAG requires all its personnel to act correctly and transparently when carrying out their duties, thus contributing to affirming and improving the company's reputation, as well as safeguarding its value. Indeed, reputation is considered an extremely important intangible asset as it enables the company to establish and build relationships of trust with all its stakeholders, Therefore, MAG expects all those who act on its behalf or in its interests to represent its style, as best as possible, avoiding behaviour of dubious morality.



MAG ensures that its consultants, suppliers, partners and all other parties that work with it comply with the Code of Conduct.

Observing the rules of the Code should be considered an essential part of the obligations assumed towards MAG, pursuant to ruling laws. Violating the principles of this Code undermines the relationship of trust established with the company and may lead to disciplinary actions. In the most serious cases, the violation may involve the resolution of the work contract with the company. The body in charge of supervising the Code's application is the supervisory body, set up in compliance with the Organisational, management and control model to prevent crimes as per Legislative decree no. 231/2001.

MAG encourages its personnel and contractors to refer to the supervisory body if they are not sure what is the most appropriate conduct in specific circumstances. All requests for clarifications will be answered on a timely basis.

#### **2.4 General conduct principles**

MAG acts with integrity, correctly and professionally to attain its by-laws objectives and achieve its mission. It avoids any conduct that may facilitate or give rise to the doubt that it has acted illegally, undermining the confidence, transparency or harmony of the work environment and economic context in which it operates.

All MAG personnel are committed to complying with the principles of the Code and acting so that these rules are adequately applied both within the company and, generally, by all its stakeholders.

Furthermore, the directors and managers should be the first ones to set the example with their daily conduct being consistent with the principles of the Code. The rules contained in this Code integrate the conduct that employees are required to observe also in compliance with the rules of ordinary diligence set by ruling legislation.



### **3. MAG AND THE PUBLIC ADMINISTRATION**

“Public administration” means all those individuals or public bodies which perform a “public function” or “public service”. “Public function” means those activities subject to public laws regarding legislative, administrative and judicial functions. “Public service” means activities for the production of goods and services of general interest and subject to a public supervisory authority, as well as activities which are aimed at guaranteeing people’s rights to life, health and free communication, including those under concessions and/or agreements.

The following rules are also applicable to foreign public administrations.

#### **3.1 Relations with the Public administration**

MAG’s relations with public officers, public employees (civil servants or others) and with public service operators are based on transparency, legality and correctness.

MAG inspires and adjusts its conduct to the principles of impartiality and good performance which the public administration itself is subject to. It shall never be represented in its relationships with the public administration by personnel and/or third parties in cases where there may be a conflict of interest, including when this is only potential.

To this end, MAG shall avoid being represented by a single individual in its relations with the public administration so as to minimise the risk of incorrect interpersonal relationships. If this is not possible, it ensures that the relationship is monitored.

MAG condemns any acts performed by any person whatsoever, by promising or offering, directly or indirectly, money or other benefits to Italian or foreign public officers or other persons acting in an official capacity, or to their relatives and family members, in order to possibly obtain an interest or advantage for the company. The above are considered acts of corruption both when performed directly by the company and indirectly through persons who act on its behalf or in its interest.

Persons entrusted by the company to follow any business negotiation, application or institutional relationship with the Italian, EU or other foreign public administration, shall not try to unduly influence, for any reason whatsoever, with acts or omissions, the decisions that public officers or other persons acting in an official capacity may take on behalf of the public administration.

All parties shall comply with the information disclosure requirements with MAG and the supervisory body with respect to their relations with the public administration. They shall make available deeds and documents produced as part of their work. They shall not promise money or other benefits, not even to obtain a legal service compliant with the duties of a public officer.

MAG forbids conduct that directly or indirectly influences decisions of the public administration. It forbids the sending of false or artificial administrative or accounting documents, to represent inexistent requirements or provide guarantees that are untrue. It is not allowed to give or promise gifts, money or other benefits to public officers or public servants such to influence their impartial professional opinion or to obtain favourable conditions to the detriment of the public administration. It is also forbidden, in whole or in part, to abscond from contractual obligations with the public administration or to provide services different to those contractually provided for, to obtain any form of profit illegally to the detriment of the public administration for the party or the company, to modify in any way the working of an IT or computerised system of the public administration or to modify, without the right to do so data, information or programs in one of these systems.



No work relationship can be entered into with persons who are working for or have worked for the public administration, their relatives or family members, or who personally and actively take part or have taken part in business negotiations or accepted requests made by the company to the public administration, unless, considering the specific circumstances which characterise said work relationship, there is no connection between the functions performed as public officer and the work relationship in question.

If the relations with the public administration provide for payment of commissions or fees and the person authorising such payments to agents or other brokers has the grounded suspect that part of these commissions or fees may be used to corrupt or influence the decision of a public officer, the person shall immediately inform the supervisory body.

These rules are also applicable to payments made to foreign public administrations.

### **3.2 Gifts and benefits**

All forms of gifts to Italian or foreign public officers or their families, which could influence their conduct, independent judgment or encourage them to give MAG an undue advantage, are forbidden.

### **3.3 Financing and state subsidies**

MAG condemns any conduct aimed at obtaining, from the Italian government, European Union or other national or international public body, any kind of contribution, financing, facilitated loan or other similar disbursements, through altered or forged statements and/or documents or through the omission of information or, more in general, through artifices or tricks aimed at misleading the financing body.

Any contributions, subsidies or financing obtained from the Italian government, regions, other public bodies or from the European Union, including those with a low value and/or amount, may not be earmarked for purposes other than those for which they were granted.

The persons in charge of managing the financial activities, investments and/or financing received from the national and international public administration shall act in accordance with the principles of fairness and transparency, as well as observe the relevant disclosure requirements.

### **3.4 Sponsorships and contributions**

MAG does not grant direct or indirect contributions to political or trade union parties, movements, committees or organisation, or to their officers, agents or representatives both in Italy and abroad. It does not finance or support conventions or events held exclusively for political propaganda purposes. MAG forbears from exercising any direct or indirect pressure on political representatives.

MAG may support initiatives proposed by non-profit bodies and associations with formal articles and memoranda of association, assessing their reliability, standing and compliance with the values expressed in this Code.

It may also enter into strictly institutional collaborations in order to contribute to events such as studies, researches, conventions, seminars or similar activities. Any contributions paid to the above-mentioned bodies should be in compliance and consistent with the laws in force and duly supported by documentary evidence.

### **3.5 Judicial and supervisory authorities**

MAG operates legally and correctly cooperating with the judicial authorities, the police and all public officers that have inspection powers and carries out inspections of the company.



To this end, it insists that its directors, managers, employees and consultants make themselves fully available to any authority carrying out an inspection or controls on behalf of INPS (the Italian social security institution), the Ministry for Labour or any other public body.

If a judicial proceeding, investigation or inspection by a public administration is likely, it is forbidden to destroy or alter recordings, minutes, accounting entries or any type of document, lie or provide false statements to the relevant authorities, induce not to make statements or to make false statements to judicial authorities.

It is forbidden to enter into business transactions, assign professional engagements, give or promise gifts, money or other benefits, to the persons carrying out the inspection or assessment or the relevant judicial authorities.

Any person who receives personally or as part of a work relationship a summons to appear or a notice of legal proceedings shall immediately contact the company's legal advisors and inform the supervisory body.

Whoever becomes aware of violations as a result of the above actions is required to inform the supervisory body promptly.

### **3.6 Airworthiness certification authorities**

MAG undertakes to ensure its greatest cooperation and availability towards national, EU and other foreign airworthiness certification authorities.

Type-approvals and statements of conformity issued by the company, in compliance with ruling laws, are the result of adequate it carried out.

MAG also ensures transparent communications to those authorities in charge of supervising the safety of the vehicles on which its components and equipment are installed.

The same provisions relating to the public administration in earlier paragraphs apply in this case too.

\* \* \*

When MAG consultants figure as public officers, they may not abuse their positions or powers, leading third parties to illegally give or promise money or other benefits to advantage the company as part of their activities.

If they are subject to pressure, enticements or requests for favours as part of their activities as public officers with respect to either their activities or those of others or they receive proposals doing away with the duty of being impartial, they are required to inform the supervisory body immediately. All persons are required to act impartially and to take decisions in a transparent and correct manner, rejecting any illegal pressure.

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Whoever becomes aware of violations as a result of the above actions is required to inform the supervisory body promptly.



## **4. ACCOUNTING RECORDS AND CORPORATE GOVERNANCE**

### **4.1 Accounting transparency and corporate disclosures**

MAG keeps its accounts in accordance with the standards, criteria and rules established by the Italian Civil Code and accounting standards. Accordingly, accounting documents shall meet truthfulness, accuracy, completeness and clarity requirements, also to provide shareholders and third parties with a clear view of the company's financial position and performance.

All personnel should ensure the truthfulness, authenticity and originality of the documentation and information prepared when carrying out their activities.

MAG condemns any conduct aimed at altering the accuracy and truthfulness of the figures and information disclosed in the financial statements, reports or other corporate communications provided for by law and addressed to the shareholders, the independent auditors and the public. All parties called to draw up the above documents are required to check, with due diligence, the accuracy of the figures and information provided therein.

All MAG's directors, statutory auditors, managers, employees and consultants are required to report, disclose and file inaccuracies, omissions or falsifications in the accounting records or supporting documents they become aware of in the company register within the legal terms and to inform the supervisory body promptly.

### **4.2 Cash flow management**

Payments for all transactions in which MAG is a party may not be made in cash or through a bearer bank or post office deposit book or using bearer securities, when the amount involved exceeds the limits set by the legislation ruling from time to time.

The following principles shall be complied with to avoid making or receiving illegal payments:

- all payments and other transfers of securities by/to the company, including to/from abroad, shall be correctly and fully recorded in the accounting records and mandatory books;
- all payments shall solely be made to the legitimate recipients and for the contractually provided for activities;
- false, incomplete or misleading records shall not be made and hidden or unrecorded funds shall not be set up. Funds may not be lodged in personal accounts or accounts not belonging to the company;
- unauthorised use of company funds is not allowed.

MAG's directors, managers, employees and consultants shall ensure the lawfulness of cash flows, their transparency, traceability and correctness.

### **4.3 Other management obligations**

The company's personnel and, specifically, its directors, managers and employees are required to act correctly and transparently when carrying out their activities, especially in relation to any request made by the shareholders, board of statutory auditors, other corporate bodies and independent auditors, when performing their respective institutional duties. They should ensure their full availability and collaboration with these parties.

In order to correctly manage its assets, MAG:



- correctly values its assets, goods, receivables and shares, not giving them a value greater or lower than that due;
- adopts the same criteria when assessing mergers or demergers with other companies and the other transactions necessary for and preliminary to such mergers/demergers;
- does not carry out unlawful share capital operations.

The directors report on their actions performed in good faith and correctly; specifically, they are required to:

- carry out their duties diligently and consistently with the obligation to cooperate with other company bodies;
- inform the supervisory body promptly of any conduct that appears (potentially) contrary to the relevant legislation, safeguarding the company's assets;
- check the company's statement of financial position, checking the correctness and truthfulness of the figures included therein, before resolving how to distribute profits and reserves.

#### **4.4 Protecting shareholders**

MAG's main objective is to create sustainable value over time, such to remunerate the business risk with a careful policy aimed at safeguarding its soundness.

The company provides shareholders with all the information that enables them to make informed and conscious investment decisions, ensuring fair, clear and equal access to information.

MAG has voluntarily adhered to and adopted a corporate governance system in line with the contents of the Code of Conduct for listed companies and the best international practices.

This corporate governance system is aimed at maximising value for shareholders, controlling business risks, offering transparency to the market and reconciling the interests of the various shareholders, paying particular attention to the smaller ones.

Based on these principles, by way of example but not limited to, the directors are not allowed to:

- voluntarily act in such a manner as to damage the integrity of company assets;
- perform any fictitious or fraudulent act to influence the will of the shareholders during a general meeting in order to obtain the irregular formation of a majority and/or a different resolution;
- perform any type of corporate transaction that could damage creditors.

#### **4.5 The proxies and delegation system**

Apart from the specific proxies and the authorisation and approval system in place to take operating, financial and investment decisions already in place in the company, no powers to represent or manage the company are given.

All activities performed by MAG or by third parties on its behalf and in its name shall be conducted, on a confidential basis:

- within the law and compliant with regulations and procedures;
- available for objective checking, with the concise identification of the parties involved;
- based on correct and complete information.

Specifically, the proxies and delegation system shall ensure that:

- no one party is given unlimited powers or functions that cannot by law be delegated;
- no one party is concurrently given spending and control powers;



- the content of proxies complies with the responsibilities delegated and do not give rise to overlapping or conflicts (including partial or potential) with proxies given to other parties;
- the supervisory body is aware of the powers and delegations.

Proxies may be given to non-company personnel, for example, to consultants. In this case, the consultant accepts the principles set out in the Code of Conduct when they accept the delegated functions or duties.

#### **4.6 Conflict of interest**

All personnel should ensure that each decision is taken in the interest of the company. Therefore, they should avoid any situation involving a conflict of interest between their personal or family economic activities and the office held within the company, which may compromise their independent judgment and choice.

Accordingly, MAG has banned those with interests (including only partial) conflicting with those of the company to undertake to participate in transactions involving goods owned or managed by them.

By way of example but not limited to, the following situations may determine a conflict of interest:

- holding economic and financial interests, also through family members, with partners, financial institutions, customers, suppliers, competitors or the public administration;
- performing work activities, also by family members, for partners, financial institutions, customers, suppliers, competitors or the public administration;
- accepting money, gifts or favours of any nature whatsoever from individuals, companies or bodies which have a business relationship with the company or intend to enter into one with it;
- utilising one's position held in the company, or the information acquired during the performance of one's job, in a manner such to create a conflict between one's own interests and those of the company.

#### **4.7 Safeguarding company assets**

MAG ensures that the use of its available resources, in line with current regulations and the content of the by-laws and the principles of this Code, takes place to guarantee, develop and strength the company's assets, safeguarding the company, its shareholders, creditors and the market.

The directors, employees, managers and consultants are directly and personally responsible for the safeguarding and legitimate use of (tangible and intangible) assets and resources entrusted to them to carry out their functions.

The company's owned assets may not be used for purposes other than those established thereby or for illegal purposes.

All the company's assets shall be recorded in the accounting records, unless the legislation provides otherwise.

Each personnel member should act with diligence in order to safeguard the company's assets through conscious behaviour, in accordance with the internal guidelines. For this purpose, each personnel member is responsible for looking after and preserving the company's assets and resources assigned to them within their activities and shall use them for the corporate interest, preventing any improper use that may damage or reduce their effectiveness and efficiency or which is nevertheless in contracts with the company's image.



#### **4.8 Press relations**

Relations with the press, means of communication and information and, more in general, interaction with the public, are based on principles of truthfulness, correctness, transparency, prudence and may only be held by the persons with specific proxies.

All personnel members are required to maintain maximum confidentiality and, therefore, not to disclose or incorrectly ask for information about documents, know-how, projects, company transactions and, in general, any information that they become aware of during their working activities.

It is forbidden to provide external parties with content, effects, terms or scopes of application of measures or provisions with external relevance, before they have been formalised and formally communicated to the relevant parties. It is forbidden to make statements or communications to the public that may damage or present incorrectly the company's position or activities.

Third parties may not access internal documents (neither formalised or in draft) except in the cases provided for by law and the internal rules in force from time to time.

To protect its image and the correctness of information released to the public and in line with the principles set out above, MAG has established that no employees and/or consultants (unless authorised) may give interviews or any form of statement on behalf of or about the company to unqualified third parties or journalists.

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Whoever becomes aware of violations as a result of the above actions is required to inform the supervisory body promptly.



## 5 GIFTS AND BENEFITS

### 5.1. General principles

MAG does not allow its personnel to promise or offer, including as a result of unlawful pressures, gifts and/or benefits (for example, money, objects, services, favours or other) to third parties (for example, the public administration, partners, customers or suppliers) to draw undue advantage for themselves or the company.

Likewise, MAG does not allow its personnel to receive, including as a result of unlawful pressures, gifts and/or benefits from third parties to influence potential or actual relationships with the company.

Acts of courtesy and hospitality towards third parties are allowed when, due to their size and value, they do not compromise the integrity and reputation of either party and may not be interpreted, by an impartial observer, as being aimed at acquiring improper advantages.

Part 3 covers gifts and benefits when the counterparty is a public administration.

### 5.2 Gifts and benefits between individuals

Relations with parties connected to other companies, such as directors, CEOs, managers in charge of specific functions, statutory auditors, liquidators and their subordinates shall comply with the principles of legality, correctness and transparency in accordance with Italian legislation about the prevention of corruption between individuals.

Therefore, MAG's personnel shall not violate the obligations and duties inherent in their office, giving or promising money or other benefits to parties connected to other companies to induce them not to act correctly.

When agreeing commercial negotiations for the company, it is forbidden to give or promise, directly or indirectly, cash or another benefit to a person who is a manager or employee of a private company in order that they perform an action or omit an action violating their duties.

To protect its image, MAG forbids its personnel to receive money or promises of money or other benefits, without prejudice to the application of the disciplinary measures as per Legislative decree no. 231/2001 solely in the case in which its personnel instigated the corruption.

When allowed by their duties, MAG's personnel may offer gifts and benefits of a modest value as long as such gifts and benefits meet the following conditions:

- they are not cash;
- they cannot be reasonably interpreted to be bribes, compensation or other illegal payments;
- they take place as normal commercial transactions;
- they do not violate the law and are made in compliance with generally accepted ethical standards;
- the costs of such gifts and benefits are adequately documented.

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Whoever becomes aware of violations as a result of the above actions is required to inform the supervisory body promptly.



## 6. EMPLOYEE SAFETY AND PROTECTION OF THE NATURAL ENVIRONMENT

MAG ensures the health and safety of its employees and consultants as part of its activities.

The company ensures a work environment in compliance with ruling safety and health regulations, by monitoring, managing and preventing occupational risks.

With respect to health and safety, MAG ensures:

- role planning and organisation;
- the systematic existence of operating proxies;
- risk identification, measurement and management;
- information and training activities;
- the correct and systematic management of company assets;
- preventive and remedial checks and actions.

MAG's personnel are expressly obliged to:

- act correctly and transparently in accordance with the law and internal procedures;
- scrupulously comply with all the safety rules imposed by the law and applied by the company.

With respect to this conduct, the following is specifically requested:

- assessment of all risks for health and safety;
- scheduled prevention;
- elimination of risks and/or actions to minimise them;
- medical check-ups for employees;
- removing employees from exposure to risk;
- informing and training employees properly;
- utilisation of warning and security signs.

MAG carefully assesses all those situations that could generate environmental impacts, such as atmospheric emissions, waste and noise pollution.

Protection of the environment and natural resources are key objectives. Thanks to its personnel's commitment, MAG ensures that its activities are carried out to protect the environment and steadily improve its environmental performance. The company's environmental management system guarantees compliance with the law and defines high compliance standards.

During product development, primary objectives are environmentally friendly designs, technical safety and health. Each employee shall contribute through their correct conduct in attaining these objectives.

Anyone who becomes aware of inefficiencies in the protection devices or safety protection methods adopted by MAG shall inform the Prevention and Protection Manager and the supervisory body.



## 7. RESPECT FOR THE INDIVIDUAL

It is expressly forbidden for personnel to behave in such a way that may even only potentially damage the personal integrity of any individual who works on behalf of or in the name of the company.

MAG forbids anyone who through violence, threats, deception, abuse of a situation of physical or mental inferiority or a situation of necessity or through the promise or giving of money or other benefits exercises any of the power attaching to the ownership over a person or that reduces or maintains a person in continued subjectivity. Specifically, MAG:

- does not circulate, distribute, communicate or advertise in any manner child pornographic material with any means, including by computer, nor does it disclosure news or information aimed at child grooming or sexual exploitation;
- does not use low cost labour by using immigrants, including underage children, coming from underdeveloped countries or who are not in a position to be able to refuse this work.

Macaer recognises the central role played by its human resources being convinced that the key success factor for each company is the human and professional contribution of its personnel based on a mutually loyal relationship of trust. Therefore, personnel selection, recruitment and career advancements are based exclusively on assessments made by matching expected profiles with objective, transparent and verifiable merit considerations, avoiding any form of discrimination and patronage. Corruption practices, unlawful favours and collusive behaviour are unacceptable and, therefore, forbidden. Pressing for personal and career advantages for oneself or others within the group is equally forbidden, including through third parties.

MAG does not employ persons without residence permits or with irregular residence permits.

Whoever becomes aware of violations as a result of the above actions is required to inform the supervisory body promptly.



## **8. INDUSTRIAL AND INTELLECTUAL PROPERTY**

“Industrial and intellectual property” means all information, owned exclusively by MAG or belonging to third parties, held by the company, containing critical know-how for its business activities. By way of example, this includes: trademarks, drawings, models, copyrights, patents, as well as research, innovation and creativity findings, know-how and software.

Industrial and intellectual property also includes all information covered by official secret or bound by confidentiality requirements set by military laws used at MAG due to the nature of its activities.

The above-mentioned exclusively owned or third party (for example, partners, customers or suppliers) information is of strategic importance for MAG. Unauthorised disclosure, damage, leakage or unauthorised use of such data, although involuntary, may damage the company’s tangible and intangible assets causing, by way of example but not limited to, a loss of competitive advantage, business volumes, image and know-how, and implying additional work for their re-establishment and the likely deterioration of relationships within the company and with the involved stakeholders.

All personnel are required to maintain the strictest confidentiality regarding strategic and confidential information or information on the intellectual property of the company and its partners, customers and suppliers which are expected to do the same.

No data or information may be disclosed, including after the termination of the relevant relationship with MAG, without the prior express authorisation of the competent corporate functions or unless they have been made public. MAG adopts all appropriate measures to identify the counterparty and ensures that the latter uses the transferred data and information for the agreed purposes and undertakes not to disclose their contents to third parties without specific approval by MAG.

In case of authorised disclosure, particular attention shall be given to the addressees of certain data and information; the company shall always ascertain that the stakeholders are not acting, directly or indirectly, in the name, on behalf or in the interest of unlawful organisations.

MAG forbids its personnel to counterfeit or alter trademarks, distinguishing marks, patents, models and designs in full compliance with its industrial and intellectual property and that of third parties. It similarly forbids the use of altered or counterfeit trademarks, distinguishing marks, patents, models and designs or the importing and selling of products with false labels.

Whoever becomes aware of violations of industrial and intellectual property is required to inform the supervisory body promptly.



## **9. COMPETITION AND LOYALTY IN RELATIONSHIPS WITH PARTNERS, CUSTOMERS AND SUPPLIERS**

### **9.1 Respect for competition**

MAG recognises the fundamental importance of a competitive market based on fair competition. Therefore, its personnel are committed to observing the relevant laws in force, in any jurisdiction, and to cooperating with the antitrust authorities.

Obtaining information on competitors, including industrial and intellectual property rights, using unlawful or unethical means (for example, theft, corruption, false statements or espionage) is forbidden.

### **9.2 Partners**

The complexity of the company's business activities increasingly requires it to participate in initiatives with other parties, either by setting up joint ventures with another or other venturers or acquiring investments in companies that have other owners.

MAG develops partnerships with counterparties with a strong reputation and experience; these relationships are always established in compliance with ruling laws and the principles set out in this Code.

When developing such initiatives, MAG should:

- establish relationships with partners or associates which carry out lawful activities only and are inspired by ethical principles compatible with those of the company;
- ensure that no excessively favourable treatment is granted to any partner or associate compared to its contribution and that no advantage is taken from the subordinate position or weakness of the counterparty;
- establish frank, open and collaborative relationships with partners or associates, which enhance synergies;
- avoid entering into confidential pacts or agreements which are against the law or adversely affect the other partners' or associates' rights.

Collaborations with public administration partners are also subject to the principles of conduct referred to in paragraph 3.

### **9.3 Customers**

MAG's success is mainly based on its ability to meet its customers' expectations, by maintaining high quality, performance and reliability levels. For this purpose, its priority objective is to identify customer needs, striving to use its resources and synergies as best as possible, in a correct and honest, as well as professional and transparent, manner.

MAG provides accurate and exhaustive information on its products and services so that its customers can make conscious decisions. Moreover, it makes sure that it duly discusses with and listens to its customers, promising to always provide feedback to their suggestions and claims in order to strengthen its relationship with them in the long term.

MAG negotiates and draws up its contracts with customers under the principles of fairness, completeness and transparency, trying to prevent circumstances which could significantly impact the established relationship. Should any unexpected events or situations arise, MAG carefully considers the customers' expectations and fairly executes the contracts without taking advantage of the counterparty's weaknesses or incompetence, if any.



MAG actively cooperates with its customers so that the verifications, on-site inspections and any other checks carried out at the company's premises, preliminary to or implementing any contracts, enable them to achieve the objectives for which they were performed. Specifically, the qualification procedures which MAG is subject to, are facilitated by a collaborative and honest attitude towards customers. For this purpose, the company takes all the measures which are necessary to preserve such acknowledgement over time, by steadily monitoring critical aspects and immediately reporting any significant changes in its qualification requirements to customers.

Likewise, the activities performed by company personnel at customer premises should comply with this Code, the instructions and procedures they received and avoid that the respective conduct give rise to customer or MAG liabilities.

At the same time, when fulfilling its contractual obligations towards customers, MAG's conduct is aimed at safeguarding the safety of the vehicles on which its products are installed or services are performed, in compliance with ruling aerospace industry regulations.

The provisions of the customer's Code of Conduct, which the counterparty asks to comply with, will be observed if not in contrast with those of MAG. Should the customer's Code of Conduct and, specifically, the sections regarding the relationships under examination be less rigorous than the company's document, the conduct of MAG personnel shall be inspired by the principles of the latter.

If the customer is a public administration, MAG is required to ensure conduct in accordance with the provisions of paragraph 3.

#### **9.4 Suppliers**

The role of suppliers is essential for improving the overall competitiveness of MAG. Cooperating with suppliers enables the company to constantly meet customer requirements in terms of quality, innovation, costs and services, at least to the extent of their expectations.

Therefore, MAG builds its relationships with suppliers in accordance with ruling legislation and promoting honest, diligent, transparent and cooperative behaviour. At the same time, it encourages its suppliers to use the same criteria, in order to mutually benefit from the positive effects produced by a stable relationship of trust.

Company communications on the products and services it requires is accurate and exhaustive so that suppliers can prepare informed and conscious offers. Any claims and inconsistencies reported about supplies should be true and not instrumental to obtaining an undue advantage for the company.

Suppliers are selected and qualified in accordance with adequate and objective methods, based on their supply capacity and on the principles of impartiality, fairness and quality. In any case, MAG balances the need to obtain economically viable conditions with that do not deviate from the quality parameters established for the supply of goods and services. These selection requirements are declared and verifiable so that negotiations are based on frank and open dialogue. Furthermore, any significant changes in their qualification requirements are immediately reported to suppliers so that they can act in order to maintain their relationship with MAG.

Verifications, on-site inspections and any other checks carried out by company personnel at suppliers' premises should comply with this Code, the instructions and procedures they received and avoid that the respective behaviours give rise to supplier or MAG liabilities.



MAG negotiates and draws up its contracts with suppliers under the principles of fairness, completeness and transparency, trying to prevent circumstances which could significantly impact the established relationship. Should any unexpected events or situations arise, the company undertakes not to take advantage of the counterparty's weaknesses or incompetence, if any.

The findings of control activities performed on goods and services received and on the overall performance of suppliers are shared with the latter in order to facilitate their gradual improvement in the common interest.

Fees to be recognised to suppliers shall be commensurate with the services and conditions set out in the contract and payments cannot be made to parties or countries other than those indicated in the contract.

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Whoever becomes aware of violations as a result of the above actions is required to inform the supervisory body promptly.



## 10. IT SECURITY

MAG forbids all criminal conduct carried out using IT or computer tools or designed to damage them. It adopts suitable IT security policies to protect its electronic systems and information contained therein from potential attacks and to ensure business continuity.

In order to ensure the protection of personal data, MAG undertakes to treat them in compliance with ruling regulations and, specifically, with the principles of transparency, permissibility, quality assurance and data correctness.

“Personal data” means any information on a natural or legal person, body or association, which are identified or may be identified, including indirectly, by referring to any other information, including a personal identification number.

These personal data refer to all those parties who act within or on behalf of MAG and to the stakeholders who interact with it (for example, partners, customers or suppliers).

MAG ensures that the treatment of such personal data will be pertinent to the declared and pursued purposes, in the sense that they will not be used for secondary purposes without the interested party’s consent.

As part of such rules, the following is forbidden:

- a) altering public or private computer documents with evidentiary effectiveness;
- b) abusive access to IT or computerised systems of public or private parties;
- c) abusive access to the company’s IT or computerised system to alter and/or cancel data and/or
- d) information;
- e) abusive holding and utilisation of codes, passwords or other means to gain access to an IT or computerised system of a public or private competitor in order to acquire confidential information;
- f) abusive holding and utilisation of codes, passwords or other means to gain access to the company’s IT or computerised system in order to acquire confidential information;
- g) supply and/or produce and/or sell equipment and/or software to damage an IT or computerised system of public or private parties, the information, data or programs in such system, or to facilitate the total or partial shutdown or modification of its working;
- h) fraudulent tapping, blocking or interruption of communications through an IT or computerised system of public or private parties to acquire confidential information;
- i) installation of equipment to tap, block or interrupt communications of public or private parties;
- j) change and/or cancel data, information or programs of private or public parties or of public use;
- k) damage information, data and IT or computerised programs belonging to other parties;
- l) destroy, damage, make unfit for use public-use IT or computerised systems.

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Whoever becomes aware of violations as a result of the above actions is required to inform the supervisory body promptly.



## **11. COMBATING ORGANISED CRIME**

MAG strongly condemns all forms of organised crime, including at international level.

MAG personnel should be careful when they work in geographical areas in Italy and abroad traditionally characterised by organised crime in order to prevent the risk of criminal infiltration.

All commercial and financial transactions with counterparties potentially at risk shall take place after suitable checks and assessments of the counterparties.

MAG complies strictly with regulations about the production and sale of arms or parts thereof.



## 12. PREVENTION OF TERRORISM

MAG personnel are expressly forbidden to:

- undertake, encourage or collaborate in conduct that directly or indirectly assists terrorism or subversion of democratic order;
- use the company or one of its organisational units to allow or facilitate terrorism or subversion of democratic order;
- promote, set up, organise or manage associations whose object is to commit violent acts of a terroristic nature or for subversion of democratic order;
- directly or indirectly supply funds and resources to parties linked to terroristic or subversive associations;
- take on or assign contracts or undertake any whatsoever commercial and/or financial transaction, including via trustees, with parties on the black list circulated by the Financial Intelligence Unit and the Ministry for the Interior;
- perform transactions, take on or assign contracts that are irregular in nature or scope and enter into or maintain relationships which are irregular in terms of the reliability and reputation of the counterparties and the transactions to be performed.

All commercial and financial transactions with counterparties potentially at risk shall take place after suitable checks and assessments. Specifically, MAG personnel shall check that suppliers, partners, customers and employees are not included in the international terrorism lists.

Whoever becomes aware of violations as a result of the above actions is required to inform the supervisory body promptly.



### **13. FINAL PROVISIONS**

As expressly provided for by Legislative decree no. 231/2001 and given its integrity and correctness, MAG forbids the following when they are performed to obtain an advantage for the company:

- conduct aimed at altering, falsifying or counterfeiting coins, public credit notes and stamp duties;
- female genital mutilation, pursuant to article 25-quater.1 of Legislative decree no. 231/2001.

Whoever becomes aware of violations as a result of the above actions is required to inform the supervisory body promptly.



## **14. VIOLATIONS OF THE CODE OF CONDUCT**

### **14.1 Reporting of Code violations**

Whoever becomes aware of violations of the Code of Conduct and, generally, of internal procedures and rules is required to inform the supervisory body promptly via e-mail to the address **odv@mecaer.com**. Anonymous notifications will not be considered. Persons who contact the supervisory body are ensured of their anonymity and maximum confidentiality in processing the information received pursuant to the privacy law.

### **14.2 The penalty system**

Violation of the principles established in this Code compromise MAG's relationship of trust with its personnel.

It follows that non-compliance with a single rule of conduct prescribed by this Code of Conduct will be punished with disciplinary measures that may also entail termination of the employment or consultancy contract. MAG will punish violations of this Code through suitable and proportionate disciplinary measures, depending on the seriousness of the infraction and whether it is repeated. Application of disciplinary measures to violations of rules of conduct and non-compliance with company rules is independent of the commencement of legal action and its outcome. Therefore, it does not consider the possible illegal nature of the conduct.

In line with that established by the Italian Civil Code, the Workers' Statute and the relevant national sector labour contract, MAG's disciplinary system is available for consultation at its registered office.



## **15. CIRCULATION OF THE CODE OF CONDUCT**

Fundamental conditions for transparency and the company's reputation are awareness of and compliance with the Code by all its addressees.

MAG undertakes to foster and ensure adequate knowledge of the Code of Conduct and to disclose it, with the means it deems most appropriate (also through its internet site), to the parties concerned through specific and adequate communication activities.

Accordingly, a copy of this Code is available on the internet site, the intranet and has been sent by e-mail to all the company's contractors. Other copies will be available at the registered office.

When the company enters into new employment or consultancy contracts (open-ended or temporary), new sales contracts or agreements (agreements, appointments, etc.), they shall make specific reference to the Code of Conduct.

MAG's investees receive the Code of Conduct and adopt it to their requirements in line with their operating independence. The representatives indicated by MAG in the investees' company bodies promote the principles and the content of the Code of Conduct to the extent of their duties.