

Gally S.p.a.

CODE OF ETHICS

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1. Introduction.

The company Gally S.p.a. (hereinafter also referred to as the “Company”) is an Italian company, founded in 1949, specialized in precision mechanical machining, in steel and cast iron, intended for the railway sector, the automotive sector, as well as the agricultural machinery and earthmoving sectors. The Company is focused, in particular, in the production of various types of patented self-locking nuts.

The registered office and production site of the Company are located in Volpiano (Turin), Corso Piemonte n. 24.

The objectives of production growth have been achieved in compliance with the regulations for the protection of the environment and safety in the workplace and paying attention to the responsible use of resources and fair competition.

Gally S.p.a. therefore intends to continue to operate by reconciling the objective of achieving increasingly higher quality standards with attention to the environment, the well-being and safety of human resources and attention to the consumer.

This document, called the “Code of Ethics” (hereinafter “Code”), therefore defines the values and principles of conduct that Gally S.p.a. intends to follow in carrying out its activities and conducting its business.

It contains all the rights, duties and responsibilities of the Company towards stakeholders, such as, for example, members, employees, suppliers, consultants, customers, Public Administration, regardless of what is provided for at a regulatory level.

This Code is an integral part of the organizational, management and control model adopted by Gally S.p.a. pursuant to Legislative Decree 8 June 2001, no. 231.

2. Recipients.

All those who operate in the interest of the company Gally S.p.a. are required to comply with the Code and in particular:

- Shareholders of the company, including legal persons;
- Legal representatives and directors of the company;
- Members of the Board of Auditors and the Supervisory Body;
- General Attorneys, special attorneys, persons with power of attorney ad acta and their managers;
- Company managers;
- Subordinate workers and persons in a coordinated and continuous collaboration relationship, or project collaboration;
- Persons who maintain consultancy or professional service, agency, mandate, with or without representation, mediation and business procurement relationships with the Company;
- Persons who maintain economic relationships with the Company, such as suppliers or commercial partners;
- Subsidiary companies.

Persons required to comply with the principles of the Code are hereinafter referred to as “Recipients”.

3. Dissemination of the Code of Ethics..

Gally S.p.a. is committed to promoting the sharing, adherence and dissemination of this Code, working to ensure that the principles set forth therein are understood and observed by all recipients.

The administrative body and those in top positions are responsible for implementing this principle, identifying the most suitable means to disseminate this Code.

In any case, staff are ensured adequate knowledge and understanding of the Code through the implementation of training courses.

Gally S.p.a. undertakes to distribute a copy of this Code to all employees and to any person who has business relations with the Company, as well as to post it in a place accessible to all those who enter the Company's premises.

4. General ethical principles.

1) Compliance with the law.

In carrying out its business, Gally S.p.a. pursues its objectives in compliance with international, EU, national, regional, provincial and municipal regulations.

To this end, the recipients of this Code are required to operate in absolute compliance with the laws and regulations in force in all countries in which Gally S.p.a. operates.

Gally S.p.a. undertakes not to initiate or continue any relationship with parties who do not intend to align themselves with the principle of legality.

It is the company's duty to inform employees of current regulations and the problems connected to them, ensuring an adequate ongoing training program.

Under no circumstances is it permitted to pursue or achieve the company's interest in violation of the law.

2) Ethical and behavioral principles.

Gally S.p.a. intends to inspire the performance of its business to the observance of the ethical principles and corporate ethics indicated below.

a) Honesty, moral integrity, correctness and responsibility.

The Company considers it of fundamental importance that the performance of the business is based on respect for ethics and the values of correctness in corporate behavior and towards third parties.

The recipients of the Code must, therefore, in the performance of their professional activity, maintain a behavior oriented towards respect for the fundamental principles of honesty, moral integrity, correctness and responsibility, establishing relationships based on loyalty, mutual respect and collaboration.

b) Transparency.

The company Gally S.p.a. guarantees compliance with the value of transparency, committing to provide true, complete and clear information.

Gally S.p.a. promotes informed action and knowledge sharing, recognizing the value of correct information to members and corporate bodies regarding facts concerning the management of the company.

To this end, all financial, accounting and management operations must meet the requirements of completeness and accuracy.

c) Confidentiality and corporate know-how.

The company Gally S.p.a. ensures the confidentiality of the information in its possession, refraining from seeking and/or using confidential data, except in cases of express and conscious authorization and specific regulatory provision. In particular, all information in the possession of Gally S.p.a., including that acquired from (or concerning) third parties (customers, suppliers, professional contacts, employees, public or private bodies, etc.), in the performance of their duties or by virtue of the position held for the Company, must be protected with the utmost confidentiality.

The recipients of the Code are expressly prohibited from communicating, disclosing or using confidential information, such as, but not limited to, commercial, financial and industrial information, as well as company know-how, of which, for any reason, they have come into possession, without the explicit consent or authorization of the Company.

Gally S.p.a. safeguards its intellectual property rights, including copyrights, patents, trademarks and identification marks, adhering to the policies and procedures established for their protection and also respecting the intellectual property of others.

d) Protection of personal data.

All information in the possession of Gally S.p.a. is treated in compliance with the laws in force regarding the protection of personal data. “Personal data” consists of any information that serves to identify, directly or indirectly, a person and may include sensitive data, such as those that reveal ethnic or racial origin, religious beliefs, political orientation, health status or sexual orientation, as well as genetic or biometric data

Gally S.p.a. and its staff processes such data in compliance with the provisions of the current legislation on Privacy, and specifically by Legislative Decree no. 196/2003 (Privacy Code), as amended by Legislative Decree no. 101/2008 and, more generally, by EU Regulation 679/2016 (GDPR)

e) Respect for the individual.

In the context of internal relationships and in relationships with third parties, Gally S.p.a. guarantees respect for the fundamental rights of the individual and human dignity, avoiding any discrimination based on racial origin, age, sex, political opinions and religious beliefs, sexual orientation or health status of the person.

f) Fairness and loyalty in competition.

Gally S.p.a. observes the regulations in force regarding competition, operating according to the principles of fairness, fair competition and transparency and avoiding behaviors that may constitute forms of unfair competition.

g) Respect for the environment.

Gally S.p.a., always sensitive to the issue of sustainable development, carries out its business activities in compliance with all current regulations regarding environmental protection.

h) Quality and safety of products.

Gally S.p.a. works with the aim of offering its customers the highest standards of quality and safety of products.

With this in mind, the Company invests in research, ensuring increasingly higher levels of development.

Gally S.p.a. considers compliance with these values to be of fundamental importance for the image and reputation of the company, therefore requiring the recipients of the Code to fully share and comply with them.

5. Principles in relations with employees.

a) Value of human resources.

Gally S.p.a. guarantees and promotes the development of human resources, establishing relationships with staff based on criteria of impartiality, fairness and correctness, enhancing individual skills, in full compliance with equal opportunities, as well as encouraging the development of professionalism. In particular, Gally S.p.a., in the context of the employment relationship, with particular reference to the aspects of hiring, training, remuneration, promotions, transfers and termination of the relationship itself, ensures that employees are treated in a manner consistent with their ability to meet the requirements of the job, avoiding any form of discrimination.

The Company, in compliance with applicable laws and regulations, ensures work environments suitable for safeguarding the health, safety, physical and moral integrity of its employees, collaborators, as well as all subjects who have relationships with the same. Gally S.p.a. also pays particular attention to the regulations for the protection of child labor.

b) Duties of the Company.

In order to make the most of its human resources, Gally S.p.a. undertakes to:

- comply with employment legislation, not tolerating any form of irregular work;
- proceed with the selection of personnel with exclusive attention to the correspondence of the candidate profiles to the needs and requirements of the company, in compliance with equal opportunities for all interested parties;
- apply the meritocratic and professional criteria in making any decision concerning the career or any other aspect relating to the employment relationship with its employees and collaborators;
- provide continuous and adequate training to its employees and collaborators, in order to guarantee ever greater professionalism in carrying out the tasks entrusted to them;
- guarantee full compliance with all current regulations on prevention and protection, thus ensuring a safe and healthy work environment;
- oppose, including with disciplinary sanctions or termination of the employment relationship, behaviors contrary to the principles of the Code or to the law;
- protect, through appropriate measures, the authors of reports of illicit conduct of which they have become aware by virtue of their employment relationship (protection of the so-called whistleblower).

c) Duties of personnel.

Personnel are required to respect the principles set out in the Code and to demand compliance, basing their professional conduct on the principles of correctness, loyalty and efficiency.

Personnel are required to:

- refrain from pursuing personal interests to the detriment of company interests;
- use company assets for the sole purpose of achieving the company's objectives;
- act prudently to protect assigned company assets and prevent their non-compliant use by others;

- refrain from disclosing to third parties or using for private purposes information acquired in carrying out assigned activities;
- report to the manager of the area to which they belong any conduct by others that violates the law or the principles of this Code;

Compliance with the provisions of this Code must be considered an essential part of the contractual obligations of employees of the company Gally S.p.a., pursuant to and for the purposes of art. 2104 of the Italian Civil Code.

Violation of the provisions of the Code may result in the adoption of disciplinary measures and entail compensation for damages arising therefrom.

d) Conflict of interest.

Employees, collaborators and consultants of Gally S.p.a. are required to pursue exclusively the objectives and interests of the company.

Gally S.p.a. undertakes to prevent and avoid any situation in which a conflict of interest may arise that may influence the independence of judgment of the parties involved in the operations.

6. Principles in relations with third parties.

In initiating and managing commercial relations with customers and suppliers, the directors, employees and collaborators of Gally S.p.a. must comply with the principles of the Code and the provisions of the organisation, management and control model.

It is strictly forbidden to establish and maintain relations:

- with subjects implicated in illicit activities, or dedicated to crime or notoriously in relation to criminal associations;
- with subjects who do not intend to observe the ethical principles of this Code;

- with subjects who refuse to provide reasonable guarantees of reliability in compliance with the laws and principles of correctness.

a) Relations with suppliers and commercial partners.

Relations with suppliers and commercial partners must be conducted in compliance with this Code and in particular in compliance with the values of maximum transparency, clarity and correctness.

To this end, contracts stipulated with suppliers or commercial partners must contain specific clauses aimed at ensuring compliance by the same with the principles contained in this Code.

The choice of suppliers and commercial partners must be based on objective criteria, such as certified professionalism and competence, reliability, efficiency, quality and convenience of the service offered.

Recipients are prohibited from accepting from suppliers freebies, gifts and similar, aimed at obtaining direct benefits for themselves or for the company or obtaining confidential information. Therefore, only so-called "usual gifts", which are customarily exchanged on the occasion of holidays, are permitted, provided they are of modest value.

Recipients are required to report to the Supervisory Body any attempt or situation that could determine an alteration of normal commercial relations.

b) Purchasing processes.

Purchases must be made with maximum transparency and ensuring the traceability of operations, through an adequate documentation and archiving system.

Contracts involving high amounts, as they are significantly higher than the value normally applied for similar negotiations, must be viewed, approved and signed by persons with adequate administrative powers.

c) Relationships with customers.

Gally S.p.a. promotes maximum impartiality in relationships with customers, rejecting any form of approach to customers that violates competition law or constitutes an unlawful act.

Contracts and communications to customers must comply with the following requirements:

- clarity and comprehensibility of language;
- compliance with current legislation;
- completeness of information.

Directors and staff are prohibited from making donations, gifts or benefits aimed at influencing customer choices.

7. Principles in relations with the Public Administration.

Gally S.p.a. bases its relations with the Public Administration, whether Italian or foreign, on the principles of maximum transparency and correctness, complying with the law and the provisions of the Organization and Management Model adopted.

Directors and employees are required to provide full cooperation to the public authorities.

All those who exercise, even de facto, management, administration, direction or control functions in the Company and the subjects subjected to the direction or supervision of these, such as employees, collaborators, consultants, agents, attorneys and, in general, all third parties acting on behalf of the company, are prohibited from resorting to any behavior aimed at obtaining an undue or illicit interest, advantage or benefit for the Company.

The persons appointed by the Company to maintain relations with the Public Administration must not in any way try to illicitly influence the decisions of officials or other subjects who make decisions on its behalf.

To this end, it is not permitted to offer money or gifts to managers, officials or employees of the Public Administration or their relatives, unless they are gifts or utilities of modest value.

Recipients who are the subject of explicit or implicit requests for benefits of any kind by members of the Public Administration must immediately suspend relations with the Public Entity and inform the Supervisory Body.

It is absolutely forbidden to use or present false declarations, documentation or attestations, or to omit information in order to obtain contributions, financing or other disbursements from the Public Administration, whether Italian or European.

It is forbidden to use contributions, subsidies or financing received from a Public Administration for purposes other than those for which they were assigned.

In the event of participation in tenders, Gally S.p.a. requires absolute compliance with the law, as well as observance of the principles of correctness, transparency and loyalty.

Compliance with the principles underlying relations with the Public Administration is also required of any third parties or consultants who represent the Company before Public Bodies.

8. Principles in keeping accounting records.

Keeping accounting records must be carried out in full compliance with the principles of transparency, correctness and responsibility.

Every operation and transaction must be lawful, authorized, verifiable, coherent and appropriate.

To this end, all operations and/or actions performed by the company must be adequately recorded, thus allowing easy reconstruction and verification of the decision-making, authorization and processing process.

It is also necessary that every single operation be reported on suitable documentation, paper and/or electronic, which certifies its characteristics and motivations and allows identification of the person who proceeded with the authorisation, execution, registration and verification.

All recipients of the Code have the specific duty to verify and certify, where requested, the correctness of the information transmitted, as well as to cooperate in the correct functioning of the control system, communicating to the Supervisory Body or to their direct superior, in written form, any omissions, falsifications or irregularities of which they may have become aware.

9. Principles in the use of IT systems.

The use of IT systems must be carried out in compliance with current regulations.

In carrying out its business, Gally S.p.a. uses exclusively IT systems including regularly licensed hardware and software.

The Company grants administrators, employees and collaborators the use of its devices for the sole purpose of carrying out the tasks assigned to them.

Each user is granted access to each individual IT and telematic system following identification, carried out through the use of logical keys (user ID and password), delivered by the system administrator and stored in such a way as to avoid theft or undue knowledge by unauthorized persons.

Users are personally responsible for the integrity of the systems, data, information and programs relating to them.

Users may be assigned an email box with a personal account. The use of email through this box is for business purposes and never personal. Incoming and outgoing email from these boxes must be considered as coming from or destined for Gally S.p.a. and as such, it is accessible to the user's superiors.

The Company has the right to prevent one or more users, in whole or in part, from accessing the local network as well as the Internet.

Users are prohibited from using the computer systems for purposes other than those for which they are granted.

10. Control system.

In order to ensure compliance with laws and procedures, protect company assets, the health and safety of people, efficiently manage activities and provide accurate and complete accounting and financial data, Gally S.p.a. has created internal control procedures aimed at verifying, directing and managing the activities carried out by the Company.

The control procedures must be adopted by all recipients, each within the scope of their duties.

All recipients are responsible for the definition, implementation and correct functioning of the controls.

11. Supervisory Body.

Gally S.p.a. has established an internal Supervisory Body with control powers.

The Supervisory Body is an independent body that operates in compliance with the principles of impartiality and professionalism.

The tasks of the Supervisory Body are:

- monitoring compliance with the Code of Ethics by all recipients;
- the dissemination of this Code to all recipients and third parties who operate with the Company, through an adequate information plan aimed at promoting knowledge of the principles contained therein;
- the constant updating and adaptation of the Code, in order to ensure its constant adequacy to legislative and corporate changes;
- the interpretation of the Code, constituting a point of reference for resolving any conflict or doubt on the application of the principles expressed therein;
- protection from possible pressure or retaliation by employees who report behaviors that do not comply with the Code or the Organization and Management Model;
- reporting, to the competent company functions, any violations of the law and/or the provisions of this Code and/or the Organization Model;
- monitoring the regularity and timeliness of the imposition of disciplinary sanctions provided for violators of the Code of Ethics, or of the Organization Model.

12. Sanctions.

Sanctions must be imposed promptly and immediately.

Following the ascertainment of a violation of the principles established by this Code and the procedures provided for therein by a subordinate worker, disciplinary measures provided for by collective bargaining may be adopted against him.

The Company may also adopt other measures, such as assigning the employee to another company area, provided that this does not result in his demotion prohibited by law.

In the event of a violation of the Code of Ethics and internal procedures by the Directors or the Board of Auditors, the Supervisory Body must inform the Sole Director and the Board of Auditors, who will take the appropriate initiatives provided for by law.

Violations of ethical rules by third parties may be sanctioned with termination of the contract.

To this end, it is strictly mandatory to include specific express termination clauses in supply or collaboration contracts, which make explicit reference to compliance with the provisions of the Code.