



ETHICAL CODE

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LIST OF EDITIONS

N°	DATE	REASON FOR AMENDMENT
1	30.04.2018	First edition

INTRODUCTION

M.C.E. has been operating for more than 30 years in the Automotive sector, manufacturing bulbholders for vehicles and has built its image during the years by choosing High Quality products, by becoming a valued and sought-after partner by the biggest global manufacturers of lighting components for vehicles, exporting presently all over the world.

This goal has been reached by pursuing such values as Correctness, Loyalty and Transparency in all its interrelationships and by dedicating, during the years, ever increasing resources towards the creation of a company that is technologically advanced but, at the same time, pays attention to the training of its employees and to the needs of its clients.

This Ethical Code (hence referred to as "Code") serves as an enunciation of the company values, as well as of the rights, duties and responsibilities of M.C.E. SRL (hence referred to as "MCE") towards all parties it comes into contact with in the attainment of its business goals.

This Code undertakes to establish the guidelines for every partnership, external or internal, and regardless of the position occupied in the company, to be followed in terms of conduct and behaviour during business and work activities.

MCE pledges to bring the Code to the attention of all parties that interact with MCE by publishing it on the company bulletin boards, on the internet site and by mentioning it in the supply contracts.

In particular, it is the duty of all recipients to:

- Know the content of the Ethical Code, understand its meaning and take measures to ask for any elucidations with regard to it.
- Coordinate the performance of its tasks, within its responsibilities, in accordance to the principles of the Code
- Avoid behaviours that go against the principles of the Ethical Code even when performed with the belief that they are advantageous or in the interest of the Company.
- In the case of belief that the Code is in contrast with the local legislation, or if your responsibilities with regard to an issue are not clear, please contact your manager or the Human Resources department in order to establish your stand.

1) ABIDING BY THE LAW

The Project Managers attest that their associates are knowledgeable and aware of the Law compatibly with the activities/responsibilities assigned and they transfer to their own associates the knowledge of the rules and the awareness of the risks for any failure to perform or any offence that may derive. Similarly, each associate will have to commit to get all and any information regarding the guidelines that concern them.

All Suppliers, Clients, Consultants and every other party that does business with the company, commit to conforming to the Laws and Rules of the country they are operating within. No business relationship will start or continue if the parties were not to follow this principle.

1.2 RELATIONSHIP WITH THE PUBLIC ADMINISTRATION

While working with Institutions, by way of Managers, Officers or employees of the Public Administration, hence referred to as "Public Officers" it is strictly forbidden to engage in fraud, corruption, payoffs.

It is forbidden to:

- Promise or offer them (or to friends or family etc.) money, donations or gifts, with the exception of gifts of small value. For example, trips, vacations, entry to private clubs are not to be considered gifts of small value; while invitations to lunch or dinner, in the context of a business relationship can be considered legal and usual during business contact;
- Consider or offer work opportunities to public officers (or to friends or family) and/or offer business or any other opportunity that may result beneficial;
- Promise or offer consulting positions;
- Undertake representations expenditure (sponsorships) for any other reason different from the promotion of the company image;
- Promise or supply, even through other companies, any employment or personal services to them, their friends or family etc ;
- Favor during the acquisition process suppliers or contractors suggested by public officers.

These actions and behaviours are forbidden both when performed by company employees, as well as by other parties affiliated with the company.

In relations with the Public Administration and the Institutions it is forbidden to:

- Produce documents or data that are false or modified ;
- Hide documents or omit to present documents that are authentic;
- Behave in ways that are deceitful or that cause errors in the technical and economical evaluations made by the Public Administration/Institutions;
- Omit information requested by the Public Administration for the purposes of obtaining decisions advantageous or beneficial to MCE.

1.3 TRACEABILITY OF RECORDS AND DOCUMENTATION

The Managers of the Administration and Accounting departments attest that each operation is :

- Legitimate, consistent, faithful, authorized and verifiable;
- Correctly and properly registered in order to allow checks on the decision-making, authorization and operative processes ;
- Accompanied by proper and authentic documentation as to allow at any given moment controls on the features and origins of the operations being carried out, as well as allowing the identification of the person that authorized, made, registered and checked it.

1.4 PREVENTING AND REPORTING ILLEGAL ACTS

The actions and behaviours that are openly carried out in violation of the current legislation, so as to qualify as criminal offences, are to be immediately reported to the Authorities by anyone with knowledge of the facts, and to be reported to their immediate superior and to the Human Resources Department.

The actions and behaviours carried out in presumed violation of the current legislation that may qualify as criminal offences and/or as civil and/or administrative offence, are to be immediately reported by the employees to their immediate superior, who will subsequently, given the prerequisites, inform the Human Resources Department.

Should the immediate superior be directly or partially/indirectly involved, or should the reporting have no outcome, or should the employee feel uneasiness in approaching their immediate superior, the information shall be directly transmitted, when there is an alleged commission of offences, to the Human Resources Department.

The Human Resources Department takes it upon itself to investigate and eventually follow through with the information it received.

1.5 MONEY LAUNDERING NORMS

MCE runs its business in full accordance with the current legislation regarding money laundering and provisions promulgated by the competent authorities. To this purpose MCE commits to refuse to perform suspect operations in the name of correctness and transparency in all States it operates in. Before establishing relations or concluding contracts, the associates of MCE have to collect information available regarding business partners, suppliers, associates and consultants, as to evaluate their respectability and the legitimacy of their activities.

2) HUMAN RIGHTS

MCE promotes and defends the basic human rights, by rejecting any form of discrimination founded on gender, race, language, religious belief, political affiliation, sexual orientation, disability and other personal and social features.

All employees have to behave respectfully towards their colleagues and all individuals they interact during business contact. They are to respect others' private lives and to refrain from spreading personal information obtained accidentally during work hours.

All managers have to uphold the private lives of their associates.

2.1 FREEDOM OF CHOICE

Mandatory and involuntary work is banned. All work is voluntary and workers are free to cease their collaboration with MCE following prior notice.

2.2 PREVENTION OF CHILD LABOR

Child labor is not used in MCE activities. Under no circumstance are employed minors less than 15 years old or younger than the compulsory school age or, even below the minimum age required by the national legislation for access to employment.

Recourse to legitimate apprenticeship programs in the workplace, in compliance with all laws and regulations is permitted.

Workers under the age of 18 do not perform hazardous work and are exempted from night work in accordance with national laws and international covenants.

2.3 WORKING HOURS

M.C.E. undertakes to ensure that the total number of working hours is equal to or less than that established by national legislation or national collective bargaining agreements.

MCE undertakes to ensure pauses and working days corresponding to at least the minimum conditions established by national legislation.

However, the number of ordinary working hours remains confirmed to 40 hours per week. Overtime work will be limited to a maximum of 2 hours per day and 8 hours per week in compliance with national legislation or national collective bargaining agreements.

2.4 WAGES AND REMUNERATIONS

The wages paid to the workers comply with national laws and national collective bargaining agreements, including those relating to minimum pay, overtime and other legally recognized wages.

2.5 EQUAL AND DIGNIFIED TREATMENT

Any harsh or inhumane treatment, including sexual harassment, corporal punishment, mental or physical coercion, verbal abuse or threats to workers is inadmissible.

Equal opportunities for women and men, open communication and teamwork are promoted. Every employee must treat colleagues with respect. Violence at work is not tolerated, violence includes direct or indirect threats, threatening behavior, intimidation, physical attack, harassment and any form of persecution.

2.6 FREEDOM OF ASSOCIATION, PROTECTION OF INDIVIDUAL RIGHTS

Transparent communication and direct engagement between workers and managers are the most effective ways to resolve disputes in the workplace.

MCE respects and guarantees the rights and freedoms of opinion, expression and association to trade unions also.

Workers are enabled to communicate openly with the management regarding working conditions, without having to fear retaliation, intimidation or punitive measures.

MCE guarantees the protection of personal data at its disposal and protects the right of privacy of its employees against any interference or infringement from inside or outside the organization.

2.7 CONFLICT MINERALS

MCE supports the fight against violence, violation of human rights and environmental degradation in the extraction and marketing of some minerals from the geographical area defined as Conflict Region.

The legislation prepared by the Securities and Exchange Commission (SEC) requires that raw material producers communicate whether the products they manufacture contain Conflict Minerals.

With the aim of ensuring that the products are made using only Conflict Free materials and components, MCE undertakes to:

Ask the suppliers of raw materials that the metals used come only from mines and foundries outside the Conflict Region or if located in the Conflict Region, to be certified as Conflict Free by compiling the CMRT (Conflict Minerals Reporting Template).

MCE reserves the right to apply the appropriate measures if it is found that the materials supplied come from Regions considered Non Conflict Free

3) LIABILITY AND DEFERENCE TO THIRD PARTIES

MCE sets up relationships with customers, suppliers, consultants, collaborators, agents and business partners exclusively on the basis of criteria such as trust, quality, competitiveness, professionalism and compliance with rules. Commercial relations are undertaken in conformity with the regulation governing fair competition.

In developing relationships with them, it undertakes to:

- Establish relationships only with individuals who have a respectable reputation, who are engaged only in lawful activities and whose corporate ethical culture is comparable to that of MCE. To this end, the available information of the aforementioned subjects is checked in advance.

- Ensure the transparency of agreements and avoid signing pacts or agreements contrary to the law. In particular, with regard to the selection of suppliers, consultants, collaborators and for the purchase of goods or services, MCE ensures that this activity is based exclusively on parameters such as objectives of quality, convenience, price, capacity, efficiency. MCE requires of its suppliers that the materials or products supplied are not the subject of previous illicit activities, exploitation of child labor, activities aimed at financing terrorism.

3.1 CUSTOMER RELATIONSHIP

Honesty in relations with the customer and satisfaction of its requirements are primary objectives in all of MCE's commercial relations.

3.2 FORBIDDEN ACTIVITIES

Any form of corruption is prohibited and condemned by MCE.

Bribes or other means of obtaining undue or improper advantages are not offered and are not accepted.

3.3 DIVULGING INFORMATION

Information regarding the activities covered by the business (eg: organization of activities, economic-financial conditions and agreed services) are made available in compliance with current regulations.

3.4 INTELLECTUAL PROPERTY

MCE is aware of the importance of intellectual property and therefore respects and protects the content of the various forms of it, and specifically of patents, trademarks, industrial and commercial secrets and in general of know-how.

MCE recognizes that correct competition is fundamental for the development of business activity and therefore under no circumstances creates acts and behavior contrary to free and fair competition.

4) LIABILITY AND DEFERENCE TOWARDS THE COMPANY

All employees contribute to the company image. As a result, they are required to refrain from denigrating MCE, its strategies, its governing bodies and its products.

4.1 CONFIDENTIAL INFORMATION

All employees with access to confidential internal information are required to keep it confidential. Confidential information is that specific information about MCE or any other company that has not been voluntarily disclosed.

All employees are required to take the necessary measures, in compliance with the rules in force in MCE to protect the confidentiality of professional information in their possession (eg information on new projects, strategic, industrial, financial or operational data and more generally all information whose disclosure could be detrimental to MCE's interests).

4.2 CONFLICT OF INTEREST

All employees are required to avoid conflicts of interest.

A conflict of interest arises when an employee, one of his family members or friends, is able to personally benefit from a transaction carried out in the name and on behalf of MCE.

Suppliers are selected on the basis of clear decision-making procedures and objective criteria.

In the course of negotiations with suppliers, employees are required to place MCE's interests before any other assessment.

It is forbidden to use confidential information acquired in the performance of work for the benefit of one's own or a third party.

It is forbidden during working hours to conduct or prepare business which may subsequently be in competition with MCE.

Before accepting a position of consultancy, direction, administration, provision of subordinate or self-employment or other assignment in favor of another person, or in the event of a potential conflict of interest situation, each employee is obliged to give notice to his immediate superior.

This in accordance with the Law and the principles of fairness and fair competition.

4.3 EMPLOYEE REPORTING (WHISTLE-BLOWING)

MCE encourages all its employees of every rank to report any suspicion of fraud, unlawful or irregular conduct and / or of any type of serious danger or risk that may involve or harm employees, consultants, customers, suppliers, the public or the reputation of the company itself, and of which they have come to know during the working activity.

According to the definition taken from the IATIF Standard 16949: 2016, examples of whistle-blowing can refer to workplace hazards, environmental damage, illicit financial operations, suspicions of corruption or bribery.

In particular, it ensures that any report made within the company, provided that it is not anonymous, will be given adequate consideration, ensuring confidentiality on the identity of the reporter, without prejudice to the legal obligations regarding the objection of anonymity and confidentiality.

Each substantiated and truthful report will have no negative effects on the reporter and they will be protected from retaliation or other form of intimidation on the part of the subjects involved in the events recounted in the report.

4.4 RESTRICTIONS AND DONATIONS IN GIFTS OR INVITES

All employees are required to respect the principles of integrity and loyalty in their relationships with customers and suppliers. Employees do not solicit gifts directly or indirectly. They refuse any gift with a value that exceeds what is accepted by the usage or that could compromise the independence of the individual. This rule also applies to invitations to seminars and conferences or to trips not connected to business and corporate activities.

4.5 USE AND PROTECTION OF COMPANY PROPERTY

All employees are responsible for the appropriate use and for the sole purpose of corporate duties of any asset or business resource.

The assets of the company are used in accordance with the current rules and customs of the company and taking all necessary measures to prevent any damage, theft or unauthorized use by third parties. Employees are required to protect MCE from the risk of fraud or misappropriation of assets by carrying out appropriate controls within their area of responsibility. All employees are to avoid using their status or corporate authority to benefit from any kind of favoritism or singular advantages.

With particular reference to Information Systems, it is forbidden to use company assets for reasons not related to employment, for purposes contrary to the law, public order or morality, as well as to commit or induce the commission of offenses or to racial hatred, the exaltation of violence or the violation of human and constitutional rights.

Furthermore, it is expressly forbidden to undertake actions that may in any way damage, alter, deteriorate or destroy the devices and computer systems used. Every MCE employee is responsible for the protection of the assets and technological resources entrusted to him, avoiding the fraudulent or improper use of the same as well as the transfer of his access credentials.

It is forbidden to reproduce company software for personal use or to download and install programs without the authorization of the Systems Office. It is explicitly forbidden to use company information systems for consultation, access and in general, for any activity that involves sites with child pornography content.

4.6 RELATIONSHIP WITH MASS MEDIA

MCE recognizes the informative role played by Mass Media. To this end, it commits to cooperate fully with the media without discrimination, in respecting each other's roles. The MCE communication with the media must be truthful, clear, transparent, unambiguous or instrumental, and compliant with company policies.

Relations with the press or other means of communication are reserved to the General Manager.

5) RELATIONSHIPS AND WORK CONDITIONS (HEALTH AND SAFETY)

All employees are jointly responsible for their own health and safety, and for this they are required to know and comply with the safety rules and regulations and to ensure that others comply with them, in accordance with the Health and Safety at Work legislation.

Particular attention must also be given to the working and welfare conditions of all the people present on the site (visitors, suppliers, customers).

Regarding prevention, all employees are required to:

- Lead by example, strictly applying the safety rules to themselves and ensuring that others do the same;
- Always remain vigilant to identify and manage the danger
- Act quickly to ensure that dangerous situations are immediately kept under control.

5.1 WORK ENVIRONMENT SAFETY AND INDUSTRIAL HYGIENE

Preventing and reducing risks to workers' health and safety by paying particular attention during the phase of purchasing and / or designing the work equipment, studying the layout of ergonomically correct workstations, choosing chemicals that are not harmful to humans and the environment when it is essential to use them, ensuring suitable and safe working environments for the performance of work activities.

Containing as much as possible, with the goal to eliminating, the occurrence of accidents and occupational diseases.

Workers are guaranteed work and service rooms (toilets, refectory, infirmary), of decent and adequate sanitary conditions.

5.2 EMERGENCY READINESS

Situations and emergency events are identified and evaluated.

The emergency plan and emergency response procedures (eg evacuation procedure) are formalized and known.

5.3 DEVELOPMENT OF HUMAN RESOURCES AND FORMATION

The Management of MCE recognizes in the development of human resources a process of growth and emancipation of the individual through the expansion of his skills and knowledge. MCE promotes access to skills development, training and employee growth opportunities on a fair and non-discriminatory basis. Given this premise, in times of crisis it promotes internal mobility.

6) ENVIRONMENTAL PROTECTION

Understanding the importance of protecting the environment and minimizing its impact, M.C.E. complies with the ISO 14001 Environmental Management System.

All employees are required to comply with the System, environmental impacts are monitored.

6.1) BUSINESS SUSTAINABILITY

MCE is committed to minimizing its environmental impact by preventing any type of pollution through proper waste management, the choice of techniques and work equipment that reduce the production of waste and allow energy savings.

Waste generated by industrial activities is monitored and treated as required by the relevant legislation and entrusted to regularly authorized companies.

Environmental permits are obtained regularly and kept up to date.

Acts and documents are carefully stored and neatly archived.