

Code of Ethics

Related to

**the Organizational, Management, and Control
Model**

Pursuant to Legislative Decree No. 231 of June 8, 2001

Third Edition

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CODE OF ETHICS
PFC SRL

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1. INTRODUCTION

1.1 The Code of Ethics

The Code of Ethics (hereinafter the “Code of Ethics”) summarizes the principles of conduct that directors, managers, employees, and collaborators of any kind, as well as suppliers of Pico Flow Controls S.r.l. (hereinafter also “PFC” or the “Company”) must observe in carrying out business activities, performing their work duties, and in general, in internal and external relations within the corporate group.

The Code of Ethics represents one of the fundamental protocols for implementing a valid Organizational, Management, and Control Model (hereinafter also “Model”) pursuant to Legislative Decree No. 231/2001 (hereinafter also “Decree”), suitable for preventing the crimes indicated by the Decree.

Therefore, the Company has decided to adopt its own Code of Ethics, with the aim of ensuring the highest possible ethical standards in the conduct of business activities.

The Code of Ethics, in accordance with the principles indicated in the Confindustria Guidelines, in the latest version of March 31, 2014, is an integral part of the Model adopted by the Company and identifies, among other things:

- the general ethical principles to which the Company attributes positive ethical value;
- the specific rules of conduct imposed on the subjects required to comply with the Code of Ethics and which such subjects must adhere to;
- the mechanism for communication, training, and monitoring of the Code of Ethics.

1.2 Target Recipients

This Code of Ethics, consistent with the corresponding Organizational, Management, and Control Model under Legislative Decree 231/01, applies to all those who, in any capacity, contribute to the execution of the Company’s business activities.

In particular, such individuals, hereinafter referred to as the “Recipients”, include:

- members of the Corporate Bodies;
- managers and employees, without exception;
- all individuals, even if external to the Company, who operate directly or indirectly on its behalf (e.g., agents, intermediaries, collaborators, consultants, suppliers, clients).

Any violation of the principles and rules of conduct outlined in this Code of Ethics jeopardizes the trust relationship with the Company, which may take appropriate disciplinary action and seek compensation for damages, without prejudice to the respect of procedures provided under Article 7 of Law No. 300 of May 20, 1970 (known as the Workers' Statute), applicable collective labor agreements, and any internal company regulations.

2. GENERAL PRINCIPLES

2.1 Human Rights

The Company considers the respect for human beings as a top priority. No behaviors are permitted that involve discriminatory content based on political or trade union opinions, religion, race, nationality, age, gender, sexual orientation, health status, economic conditions, or, in general, any personal characteristic. The Company recognizes the need to protect individual freedom in all its forms and condemns any activity that may involve the exploitation or subjugation of any individual.

2.2 Compliance with Laws

The Company has as a fundamental principle the respect of the laws, regulations, and all legal provisions in force in Italy and in all the countries where it operates.

Recipients performing their duties abroad must know the regulations of the country in which they operate and act in full compliance with the laws of those countries and all other applicable laws and regulations, including, without limitation, those of the United States and Europe.

Lack of knowledge of laws and regulations cannot under any circumstances constitute an exemption from responsibility.

2.3 Integrity, Honesty, and Fairness

Recipients are required to observe the highest standards of individual and corporate integrity. The Company does not approve or justify any act of violence or threat by the Recipients aimed at obtaining behaviors that violate current regulations and/or this Code of Ethics.

Recipients must be aware of the ethical implications of their actions and must not pursue personal or corporate gain in violation of applicable laws or this Code of Ethics. They must act properly and professionally, with loyalty and fairness, in both internal and external relations of the company, avoiding situations of conflict of interest or those from which they could gain undue benefits.

2.4 Transparency and Verifiability of Operations

The principle of transparency is based on the truthfulness, accuracy, and completeness of information, both externally and internally to the Company. Every operation and transaction carried out by the Recipients must be properly recorded, authorized, verifiable, legitimate, coherent, and appropriate. It must be possible to verify the process of decision-making, authorization, and execution.

The Company strives to have a reliable administrative-accounting system and conducts appropriate training for the staff involved in accounting operations. Accounting records and documents must be based on accurate, exhaustive information, reflect the nature of the related transaction, and be accompanied by supporting documentation for analysis and verification purposes.

2.5 Excellence, Innovation, and Performance

The principle of excellence refers to the ability to leverage technical know-how to ensure the quality of products and to work with method and passion, while respecting the rules. The Company makes innovation its strength and encourages all personnel to imagine new product/service/process solutions that can be effectively implemented, with a view to continuous improvement and a constant focus on performance, in order to meet customer expectations in terms of performance and safety.

2.6 Fight Against Corruption

The Company rejects corruption as a means of conducting business. Therefore, all Recipients are strictly prohibited from instigating, promising, giving, offering money or any other benefit, either directly or indirectly, to any public or private counterpart to perform (or omit) an act of their office, in violation of their professional duties and loyalty, in order to obtain any advantage for the Company and/or themselves and/or third parties, regardless of whether such act is actually carried out.

Likewise, it is forbidden to accept money or other benefits, whether economic or of any other kind, for the Company and/or for themselves and/or third parties, if intended to influence the performance of an official duty. Gifts of modest value may be given/accepted in compliance with company procedures.

2.7 Protection of Intellectual Property

The Company is fully aware of the importance of intellectual property and, therefore, respects and protects all forms of intellectual property—both its own and that of others—whether it involves copyrights, patents, trademarks, trade secrets, or other intangible assets.

2.8 Business Integrity and Fair Competition

The Company recognizes the value of competition when it is inspired by the principles of fairness, fair competition, and transparency in dealings with market operators, and works in accordance with the group's ethical conduct guidelines to create a fair global market, acting honestly and in compliance with competition laws and regulations.

For this reason, Recipients must comply with applicable antitrust laws and fair competition rules and must not engage in actions or behaviors that are contrary to free and fair competition.

2.9 International Trade and Relations with International Operators

The Company undertakes to comply with all applicable laws and regulations governing international trade, including those regulating the import and export of goods, software, technology, technical data, and services. International trade controls apply to all import and export activities, including those involving electronic data.

In particular, the Company ensures that all its relations, including commercial ones, with internationally operating parties are conducted in full compliance with the applicable laws

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and regulations in Italy and in the foreign country where the counterpart is based or operates, including without limitation, the laws and regulations of the United States and the European Union on export controls, as well as other applicable laws.

2.10 Confidentiality and Privacy Protection

The Company is committed to protecting the privacy of Recipients and other individuals whose data the Company handles, acquiring, processing, and storing personal information and data in compliance with current regulations, so as to prevent their unauthorized use and/or disclosure.

2.11 Proper Use of IT Systems

The Company pursues the objective of the proper use of IT or telecommunication services and, for this purpose, adopts appropriate measures to ensure the integrity and authenticity of processed data, to guarantee that access to telematic and IT data occurs in full compliance with current regulations and privacy of the individuals involved, to ensure the confidentiality of information, and that their processing is carried out by individuals expressly authorized, preventing any unauthorized intrusions.

Personnel, within the scope of their roles and responsibilities, are responsible for the security of the IT systems they use and must comply with current regulations and software license agreements.

2.12 Ban on Disclosure and Use of Price-Sensitive Information

Recipients must not disclose price-sensitive information (i.e., information not yet made public, such as corporate operations like acquisitions, demergers, financial business information, etc.) that they become aware of directly due to their position or duties, or indirectly through communication from others.

2.13 Cooperation with Authorities in Investigations

Integrity and fairness in relations with competent authorities (Italian or foreign) is a fundamental value for the Company. To this end, Recipients must take all necessary measures to provide the cooperation requested by authorities, within the limits of applicable law.

2.14 Proper Use of Company Assets

Recipients must protect and safeguard the Company's assets and values entrusted to them, avoiding situations that could negatively affect the integrity and security of the Company's assets. Misuse of corporate resources or property for purposes unrelated to company activities is prohibited.

3. RELATIONS WITH CLIENTS

3.1 Conduct Style

All Recipients who interact with clients must base this relationship on principles of fairness and transparency, attentiveness, availability, courtesy, honesty, loyalty, professionalism,

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and in any case, on respect for the general principles of this Code of Ethics: human rights, financial integrity, protection of intellectual property, independent information and responsibility, and fair competition.

In particular, giving, receiving, or accepting benefits, gifts, acts of courtesy and hospitality is prohibited, unless they are of negligible value.

The Company adopts the principle of maximum transparency in commercial transactions with all contractual counterparts and provides the most appropriate tools to counteract money laundering and handling of stolen goods. The Company repudiates all forms of terrorism and organized crime and undertakes not to establish any labor or commercial relationship with individuals involved in terrorist acts or criminal organizations.

3.2 Customer Satisfaction

Customer satisfaction is a primary resource. Therefore, the primary objective of Recipients must be the full satisfaction of clients, in order to continuously improve the level of commercial offerings and to remedy any dissatisfaction quickly and effectively.

3.3 Product Quality and Safety

The Company aspires to the highest level of quality, safety, and performance of its products. To this end, all quality-related data are recorded accurately and completely.

The Company ensures strict compliance with all applicable legal, regulatory, and technical standards and implements appropriate control procedures.

3.4 Accuracy of Information

The Company recognizes the fundamental importance of protecting competition in the free market and respecting principles of honesty and fairness in commercial activities; therefore, it undertakes to conduct its business activities respecting the freedom of industry, commerce, and market, and commits to cooperating with market regulatory authorities.

To this end, Recipients are prohibited from engaging in behavior contrary to professional fairness, collusive or predatory practices, actions involving threats or violence, or abuse of dominant position, and any other conduct aimed at disrupting fair competition or misleading consumers regarding the origin, provenance, and quality of products.

4. RELATIONS WITH SUPPLIERS

4.1 Relations with Suppliers

Recipients who maintain relations with suppliers must conduct themselves with maximum transparency and fairness. In particular, favoritism must never occur, and the principles outlined in the relevant procedures must be respected. The Company repudiates any form of terrorism or criminal organization and undertakes not to establish any labor or commercial relationship with individuals involved in such acts.

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4.2 Evaluation

The Company uses objective and transparent criteria for the selection of suppliers (such as competitiveness, quality, and economic terms), in compliance with applicable laws, internal procedures, this Code of Ethics, and the Company's Model, as well as the availability of suitable organizational means and structures.

4.3 Gifts

Recipients are prohibited from accepting gifts, recognitions, or benefits (including promises), as well as acts of courtesy and hospitality, unless they are of negligible value (e.g., corporate gadgets).

4.4 Social Obligations and Safety Protection

The Company is committed to preserving the health and safety of suppliers and their employees and collaborators through adequate preventive actions in accordance with current regulations. In turn, in addition to accepting the principles of this Code of Ethics, suppliers must ensure the respect of workers' rights and the protection of child labor under all circumstances.

5. RELATIONS WITH EMPLOYEES

5.1 Value of Human Resources and Teamwork

Human resources are recognized as a fundamental and indispensable factor for the development of the Company. The Company promotes a work environment where the dignity of each individual is ensured and relationships between people are based on respect, fairness, and cooperation.

The Company supports professional growth and development by promoting an environment that encourages innovation and the achievement of results through teamwork. It is committed to creating and maintaining a positive work environment, valuing individual skills, potential, and commitment by adopting clear and consistent evaluation criteria and providing appropriate training.

5.2 Conflict of Interest

Employees and members of the Corporate Bodies must avoid engaging in transactions that conflict with the Company's interests or in activities that may impair their ability to make impartial decisions in the best interest of the Company and in compliance with this Code of Ethics. If a conflict of interest arises—even potentially—or due to family ties, external work activities (for companies other than PFC S.r.l.), or personal or family financial interests, the concerned individuals must report it to the appropriate company functions in accordance with internal procedures.

5.3 Confidentiality

Employees and members of the Corporate Bodies are prohibited from disclosing confidential information or trade secrets to unauthorized third parties, even after their employment contract has ended. They are also forbidden from using confidential company

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information directly or indirectly for personal gain or the benefit of third parties, or to the detriment of the Company, even after their relationship with the Company ends.

5.4 Health and Safety Protection

The Company is fully committed to ensuring health and safety in the workplace and undertakes to comply with current regulations on the matter. The fundamental principles and criteria for health and safety decisions within the organizational model include: avoiding risks; evaluating unavoidable risks; tackling risks at the source; keeping up with technical advancements; replacing hazardous elements with non-hazardous or less hazardous ones; planning prevention coherently by considering work organization, working conditions, social relationships, and workplace environment factors; prioritizing collective protective measures over individual ones; and providing proper instructions to staff.

6. RELATIONS WITH THIRD PARTIES

6.1 Responsibility Towards the Community

The Company operates while taking into account the needs of the community in which it operates, contributing to its sustainability wherever possible.

6.2 Environmental Protection

The Company recognizes the primary importance of the environment and carries out its activities with the utmost respect for environmental laws and regulations. Consequently, starting from a 'zero harm' vision for our planet, the Company is committed to taking all necessary actions for environmental care and eliminating any possible harmful environmental impact.

6.3 Relations with Local Entities and Public Institutions

Recipients interacting with Public Administration and institutional counterparts, whether Italian or foreign, must always uphold the principles of maximum clarity, integrity, and fairness, fully complying with applicable laws, the Model, and this Code of Ethics, to ensure the absolute legality of the Company's actions. Relations with institutional counterparts are to be conducted exclusively by individuals expressly authorized to do so.

If a consultant or other third party represents the Company in relations with Public Administration, they must also comply with all provisions of this Code of Ethics.

In any negotiation or relationship with Public Administration, Recipients are expressly prohibited from accepting, offering, or promising—directly or indirectly—money, gifts, goods, services, benefits, or favors to influence decisions in pursuit of favorable treatment, undue services, or for any other purpose, including the performance of official duties.

6.4 Relations with Associations, Trade Unions, and Political Parties

Recipients are prohibited from making direct or indirect contributions to finance political parties, movements, committees, and political or trade union organizations, or their

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representatives or candidates. They may not finance associations or sponsor events or congresses whose aim is political propaganda, except in exceptional cases duly authorized under internal company procedures.

The Company may recognize contributions and donations in favor of entities with social, moral, scientific, or cultural purposes, subject to thorough verification of the requesting entity's credibility and in compliance with company procedures.

6.5 Relations with Agents and Intermediaries

Agents and intermediaries working with the Company are required to respect all principles outlined in this Code of Ethics. In dealing with such parties, the Company undertakes to:

- observe internal procedures for identifying and managing relationships;
- select only counterparts with adequate professional qualifications and reputations;
- apply contractually agreed conditions, ensuring that the compensation is solely commensurate with the services rendered and payments are made only to the contractually designated party;
- verify proper and complete performance before authorizing payment;
- maintain a relationship based on transparency, collaboration, integrity, and fairness as provided by this Code of Ethics.

7. IMPLEMENTATION OF THE CODE OF ETHICS

7.1 Communication and Training

The Company adopts appropriate initiatives to spread awareness of the Code among all Recipients and stakeholders, including through specific training initiatives. Recipients may contact the Supervisory Body at any time, in writing at via Sandro Pertini 5/d, 41039 San Possidonio (MO), to the attention of the Supervisory Body members, or by email at info@pfc-srl.com, or verbally, to request clarifications and information.

7.2 Monitoring and Control

The implementation and compliance with the Code of Ethics must be continuously monitored by the Supervisory Body, which specifically must:

- verify the compliance of Recipients with the Code of Ethics;
- provide comments on ethical issues that may arise in corporate decisions;
- provide clarification and interpretation of the Code to those who request it;
- encourage and coordinate updates to the Code, also by making proposals;
- promote and monitor training and communication activities on the Model, especially the Code of Ethics.

7.3 Reporting Violations

If a person subject to the Model and this Code becomes aware of a fact that could constitute a violation (even potential), they must promptly report it to the Supervisory Body.

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Reports can be made via:

- a dedicated email address (info@pfc-srl.com) for submitting reports on violations of the Model or Code, also for anonymous reports;
- by mail to: via Sandro Pertini 5/d, 41039 San Possidonio (MO), to the attention of the Supervisory Body members.

In any case, the Supervisory Body ensures that those who report violations are not subjected to retaliation, discrimination, or penalties, and guarantees their confidentiality.

7.4 Violations and Related Sanctions

Regarding the classification of violations of the Code of Ethics, applicable sanctions, and the procedure for contesting violations and imposing penalties, the Company, in accordance with Legislative Decree No. 231/2001 and industry association guidelines, has established a dedicated Disciplinary System, approved together with the Model.