



## **CODE OF ETHICS**

## **RAICAM GROUP**

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## PREMISE

Raicam Group ("Group" or "Raicam") is specialised in the design, development and production of brakes and clutches for the automotive industry.

The Group has always paid great attention to the quality and safety of the range of products and services included in its portfolio. This focus on advanced automotive technology has allowed the Raicam Group to secure a position as a trustworthy supplier and expert partner to the global automotive industry.

Many of the world's best known vehicle manufacturers have chosen to work with the Raicam Group precisely because of the safety and quality of its products; today, many of the most recognisable vehicles on the roads are fitted with components produced by the Raicam Group, ranging from mass market hatchbacks to exotic, high performance super cars.

This level of quality is reflected in every single part Raicam produces, for both original equipment and aftermarket applications, in order to guarantee the same quality to all.

The OE quality of engineered products created by the Raicam Group has been acquired through several years of cooperation with vehicle manufacturers. Teams of qualified, experienced engineers are constantly developing automotive technology for the comfort and safety of the driver and the efficiency of their vehicles. Consequently, the Raicam Group is always at the forefront of innovative product design and development.

The Raicam Group, whose Chairman is Nicola Di Sipio, consists of the following 3 companies:

Raicam Industrie S.r.l. was founded in 1982 by current President Mr Nicola Di Sipio, fond of go-kart and careful expert of engines, who started his business activity by setting up a small workshop for brakes' manufacturing in Manoppello Scalo, close to Pescara.

Automotive Products S.r.l., a leading company in Europe in the design, development and production of clutches, which is acquired by Raicam in 2005, and then incorporated, in 2009, AP Driveline Technologies LTD, today Raicam Clutch Ltd, thus acquiring a 100 years history in production of high quality braking systems and clutch systems.

Raicam Driveline S.r.l., born in September 2017, as Valeo Passive Hydraulic Actuators S.r.l.; it became operational in February 2018 following the transfer of the company branch and in March 2018 it was acquired by the Raicam Group and became Raicam Driveline S.r.l.. Raicam Driveline S.r.l. indirectly controls two foreign factories, one in Gemlik, Turkey, and the other in Najing China.

The complexity of situations in which the Raicam Group has to work and also the necessity to consider the interests of every legitimated person who have interests towards the business activity ("Stakeholder"), they both increase the importance to clearly define the values and responsibilities that the Raicam Group recognizes, accepts, shares and assumes.

This is the reason why the Raicam Group Code of Ethics has been made for, and it is of fundamental importance to guarantee the efficiency, reliability and reputation of the Group, that the administrators, the auditors, the managers and the employees, everyone in the purpose of his own functions and responsibilities, they observe its provisions— also within the meanings and for the purpose of Law and the contract governing the relationship with the Raicam Group-. Such factors represent a decisive asset for the success of the enterprise and the improvement of the social context in which the Group works.

The Raicam Group is committed to promote the knowledge of the Code to its employees and not, and to the other Stakeholders and they contribute to improve the Code's principles and contents. The Group is committed to consider all the suggestions and remarks that should come from the Stakeholders and with the aim to confirm or integrate the Code.

The Raicam Group shall supervise carefully the respect of the Code, preparing appropriate tools and the information, prevention and control procedures, also ensuring the transparency of the operations and behaviors adopted and taking corrective action, where necessary. The Raicam Group' Supervisory Body has the role of guarantor of the Code of Ethics.

The Code is brought to the attention of anyone who have relationships with the Raicam Group.

## General Principles

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### 1

The observance of the rule of law, regulations, statutory provisions, ethical integrity and fairness standards, it is a commitment and duty of all Raicam Group People and it characterises its entire organization.

The Raicam Group' conduct of affairs and business activities have to be carried out within transparency, honesty, fairness and good faith and total respect of the rules for the protection of competition.

The Group is committed to maintain and strengthen a governance system in accordance with the standard of the international best practice, that is able to handle the complexity of the situations in which the Raicam Group works and its challenges with regard to sustainable development.

The Raicam Group shall adopt systematic forms of involvement of the Stakeholder, also covering the issues of sustainability and corporate responsibility.

All the Raicam Group activities are inspired by the protection and promotion of human rights, that are inalienable and indispensable prerogatives of humans and foundation of the growth of companies which are based on the principles of equality, solidarity, repudiation of war and protection of civil and political rights, the social, economic and cultural rights and the so-called third generation rights (self-determination, peace, development, and environment protection rights).

All sorts of discrimination, corruption and forced or child labour, are repudiated. Particular consideration shall be given to the recognition and safeguard of dignity, freedom, of the equity of humans, of the employment protection and freedom of associations, of health, of security, of environment and biodiversity, as well as the system of values and principles about transparency, energy efficiency and sustainable development, as stated by the International Conventions and Institutions. In this connection, the Raicam Group works in the reference framework for the UN Universal Declaration of Human Rights, the Fundamental ILO Conventions – International Labour Organization- and the OSCE guidelines for the Multinational Companies.

Each level relationship with the Raicam Group, it should be based on criteria and behaviours of honesty, fairness, collaboration, loyalty and mutual respect.

The conviction to act for the Raicam Group benefit or interest, it could never justify a behaviour which is in conflict with the principles and contents of the Code.

### **Values concerning the Legislative Decree n. 231 of 8 June 2001**

The Raicam Group is committed to ensure that the governing organs, the employees as well as all those who act on its behalf, works in compliance with legality, without the commission of any categories of offences that could involve the application of one of the financial penalties and/or interdictions that are provided by the D.lgs. n. 231/2001, in the case of such offences are committed in order to bring advantages or satisfy an interest of the Group itself.

## Behavioral fees and workers protection

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### 2

The rules of conduct contained in this section, have the purpose to indicate the behaviours to observe in carrying out the business activities, in accordance with the general principles that inspire the present Code.

The Raicam Group' Staff, in the performance of their functions, promote a work environment without prejudice, with respect for the workers' personality; in this regard they cooperate actively to maintain an atmosphere that guarantees the respect of the dignity of each.

The relationships between the employees of the Group are based on the values of the civil coexistence that operate in the respect of the rights and freedoms of persons, as well as the fundamentals of equal social dignity without discriminations based on nationality, language, gender, race, religion, political and trade union affiliation, physical or psychic conditions.

The relationships between the employees, no matter what is the level of responsibility covered, shall take place with loyalty, fairness and respect, although the different roles and business functions. Each head of an organisational unit shall exercise the powers connected to his position with objectivity and balance, taking care of the professional growth of its collaborators and of the improvement of the working conditions. Each employee have a collaborative behaviour, carrying out his tasks with responsibility, efficiency and diligence.

Corruption, unlawful favours, collusions, stresses, to or through third party, for personal or professional benefits for himself or others, are prohibited without exceptions.

It is never allowed to pay or offer, directly or not, any sort of payment, material benefits and other advantages, to any third party, government representatives, public officials and public or private employees, with the aim to influence or offset their office work.

Acts of commercial courtesy like gifts or forms of hospitality, are allowed only if of modest value, and anyway not to compromise the integrity or reputation of each party, so that it could not be interpreted by someone impartial, as they are aimed at gaining improper advantages.

Anyhow, this kind of expenses it must be always approved by the internal procedures and properly documented.

## Environment and workplaces protection

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### 3

In all the territories where the Raicam Group operates, the Group keeps the same service-minded with attention for their economic and social peculiarities which shall be understood, respected and valued to support the sustainable development in the long term.

The Raicam Group contributes to each territorial development, not only for the wealth creation, but also in terms of its environmental and social sustainability, or the reduction of unjustified inequalities, and again the growth in cohesion, social capital and prevention, and the reduction of the environmental negative consequences which are caused by the economic and material increase.

The trusting relationships established by the Raicam Group in each territory, must be able to include anyone who is worthy and could make a mutually beneficial contribution to the sustainable development.

The Group recognizes the interest of the future generations to have the chance of a life with no prejudice because of the shortage of natural resources, of the environmental degradation and of the climate change caused by the irresponsible behaviours of the current generations. The Group also considers with priority to proactively manage its environmental responsibilities towards the communities in which it works and to the future generations, in the medium to long term.

The Raicam Group is committed to have a preventive approach to the environmental challenges, implementing an environmental policy for a gradual reduction of the direct and indirect impacts caused by its activity, and to the spreading of more sensitivity and commitment to the environment protection, with reference both to the local environment (quality of soil, air and water of the land we live), both the global challenges (biodiversity and climate change).

The Raicam Group guarantees to all the Stakeholders a systematic, clear and transparent communication over the objective and the results achieved in the implementation of its environmental policy.

The Group is committed to the study, development and implementation of strategies, policies and operational plans faces to prevent and overcome every fault or negligence behaviour that could cause direct or indirect damages to the People of the Raicam Group and/or to the tangible and intangible resources of the Group.

Preventive and defensive measures, aimed to minimizing the need for an active response, are preferred, however always and only proportionally to the offense - to threats to people and assets

All the Raicam Group' Staff shall contribute actively to maintain an high standard of security, refraining from unlawful or dangerous behavior and reporting, each one to their superior or the Body they are part of, any activities carried out by third party to the detriment of the Raicam Group's assets or human resources.

### 4.1. Relationships with customers and suppliers

The Raicam Group intends to develop economic and lasting relationship with its customers, based on mutual trust and satisfaction. For this purpose, the business is based on rigorous professional ethics, oriented to the substantial fairness of the relationships and the continuous improvement of performances through a proper identification of needs and an high professional, reliable and accurate service.

In all areas of activity in which the Raicam Group operates, the Group undertake to adopt responsible business and marketing practices and to always respect the customer's interests through:

- Service models that, recognizing equal dignity to customers, ensure each customer levels of relationship consistent with the intensity and value of the relationship and appropriate to the complexity of the needs to be met.
- Products and services of which the customer could value the effective satisfaction of the needs he has, with transparent and comparable business proposals, based on fair, clear and not misleading pre-contractual information, and complete clear and understandable contract terms, that raise the awareness for the agreements signed;
- Clear and timely communications on the status of existing relations, on the changes in the conditions regulating the relations and every other amendment to existing contracts;
- The adoption, in compliance with provisions of the law, of the measures necessary to identify and manage potential conflicts of interest, providing an appropriate disclosure;
- The abstention from any unfair business practice and any form of misleading advertising, also if not completely corresponding to the quality of the products and services advertised;
- A constant monitoring of the customer satisfaction level with both statistical surveys, and a precise guideline of the sales network, and the management of complaints as an opportunity to improve, trying to have concrete results and not just formally, searching the convergences with the customer to restore a mutual satisfaction relationship;
- Clear and exhaustive information about how to submit the complaints and how to access to the independent dispute resolution bodies.

Regarding the suppliers, the Raicam Group recognizes the importance of such relationships that have to be based on mutual independence, confidence, fairness, transparency and reliability to guarantee the acquisition of assets and services needed to ensure the efficiency and continuity of Group production processes.

To this purpose, the Raicam Group shall adopts purchase processes seeking the best quality/price ratio in accordance with the needs expressed by users of the goods and services supplied, on the basis of requirements like economy, quality and technical, business and financial reliability, and also the regular evaluation of the service levels. When requirements are equally, the Raicam Group gives preference to those suppliers who demonstrate the implementation of good social responsibility practices and/or the possession of social or environmental certificates.

To all suppliers the Raicam Group ensures:

- clear and transparent selection procedures, which guarantee equal information and equal possibility to access the offer;
- fair competition conditions in negotiations, also through prevention and contrasting any form of conflicts of interest and the pursuit of interests different from the Raicam Group ones;

- a constant and constructive comparison to identify the areas for the improvement the relations, with particular reference to the transparency and the respect of the contractual terms, and the promotion of an higher social and environmental responsibility in the supply chain;

In the case of long-term relationships, which involve investments of a specific nature of mutual benefit, the Raicam Group operates to ensure fair compliance with the commitments and expectations on which the contractual relationship is based

The main suppliers, particularly those registered in official list of suppliers, are required to accept this Code of Ethics within their contractual relationship. All suppliers are required:

- To comply with all laws and regulations, as well as any codes of conduct adopted, with special reference to the environment, job security and health fields;
- To provide clear, complete, truthful and correct information in negotiation and during the establishment of the contractual relationship; and also to refrain from making offers not consistent with his own technical, commercial and financial skills, or not consistent with the market standard conditions;
- To not spread reserved information about the Group and/or its competitors and business partners of which they would come to know within the relation, and also to refrain from any behaviour that could cause a prejudice to the reputation of the Raicam Group or the normal course of its activity;
- To agree, where required, to carry out inspections and visits at its offices and operating units to verify the criteria required for the selection processes and those for the supply assignments;
- To refrain from giving, promising, offering, accepting or receiving money, presents, gratuities and hospitality or any other usefulness or benefit related to the relationship with the Raicam Group Staff, if they have the purpose to gain undue advantages in the assignment of the supplies;
- To inform the Group, as referred, about any violation or suspected breach of this Code they would come to know, whoever the commitment is.

In the event that a supplier violates this Code, the Raicam Group is entitled to take measures that may lead to the termination of the contract and the foreclosure of further relationships on a temporary or permanent basis, in addition to a compensation for any damage suffered

#### **4.2. Relationships with Institutions, Public Administrations, Entities, Associations, political Organizations and Unions**

The relationships with Institutions and Public Administrations, Entities, Associations, political Organizations and Unions, are based on the principles of fairness, impartiality and independence and they are reserved to the competent company functions.

In particular, the individuals entertain relations with P.A. in the corporate sphere, as well as other external subjects eventually involved, must comply with the guidelines contained in the Organizational Model n. 231 adopted by the Raicam Group. Without prejudice to the union's prerogatives as provided by the current legislation and contract terms, each recipient is aware that any involvement in political activities take place on a personal basis, in their free time, at its own expense and in accordance with laws.

The Group doesn't grant direct or indirect subsidies to any political or union parties, movements, committees and organizations, not even to their representatives.



## Internal Audit and violations of the Code of Ethics

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### 5

The Partner, the President, the Directors, the Employees or the Collaborators, as well as the entities that, anyway, carry on their activity for the benefit of the Raicam Group, are required to know the rules contained in the Code of Ethics and the reference standards which regulate the activity arising from its task, and which result from law or policy and internal procedures.

The Partner, the President, the Directors, the Employees or the Collaborators, they also have to accept explicitly the commitments that come from this Code of Ethics or its eventually amendments or relevant integrations.

In particular, the employees/the collaborators they are required:

- to refrain from behaving contrary to the provisions contained in this Code of Ethics;
- to ask their superiors, company referrals and the Supervisory Body, in case they need explanations about how to apply such provisions;
- to report promptly to the Supervisory Body any news, directly known or reported by third party, about the possible violations and any other request to violate them; the Supervisory Body shall ensure the absolute confidentiality of the sender of the communication;
- to cooperate with the structures appointed to verify possible violations;
- to adequately inform every third party who get in touch with them during the work activity, about the existence of this Code of Ethics and the commitments and obligations it imposes to the external parties;
- to require compliance with the obligations concerning directly their activity;
- to take appropriate internal initiatives and, if in their competence, also external ones in case of third party doesn't fulfil the provisions of the Code of Ethics;

As far as is concerned, the Supervisory Body is required:

- to monitor the application of the Code of Ethics accepting any reports given by the internal and external Stakeholders;
- to periodically relate to the Administrative Body on the results of the activity carried out, reporting any possible violation of the Code of Ethics;
- to deliver opinions about the review of policies and procedures, to guarantee the consistency with the Code of Ethics;
- to provide, where necessary, for the periodical proposal to review the Code of Ethics.

In case of established infringement of the Code of Ethics- whose observance is an essential part of the obligations entered into the contract by the employees and/or collaborators and/or subjects that however do their business in favour of the Raicam Group- are adopted, if consistent with the applicable law, sanctions for the protection of the business interests, which could involve the termination of the contract and the compensation for the damages suffered, in accordance with the Corporate procedures concerning how to apply and request the imposition of disciplinary measure.

Interested parties may report in writing, in a non-anonymously form, any violation or suspicion of violation of the Code of Ethics to the Supervisory Body, which provides an analysis of the reporting, eventually listening to the author and the person responsible for the alleged violation.

The Supervisory Body work to guarantee the reporters against any kind of retaliation, understood as any act that can give rise even to the sole suspicion of being a form of discrimination or penalization. The confidentiality of the reporter is also guaranteed, without prejudice to legal obligations

The Supervisory Body's activity after the reports received and the information collected, it is governed by the general part of the organizational model sub paragraph "The Supervisory Body".

## Communication and training

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### 6

This Code is brought to the attention of every internal or external stakeholders through appropriate activities of communication.

This Code is published on [www.raicam.com](http://www.raicam.com). A copy of the Code of Ethics, that is supplied in either paper or computer medium format, it is distributed to the Partners, the President, the Directors, the employees and any third party who have a contractual relationship with the Raicam Group.

To ensure the proper understanding of the Code of Ethics the General Direction shall set up and realise, also considering any suggestions of the Supervisory Body, a periodic plan of communication/training to ensure greater awareness of the principles and the ethical rules of the Code of Ethics. The training initiatives must be differentiated in accordance with the role and responsibility of the recipients.