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## Definition of the Boucherie Borghi Group

The **BOUCHERIE BORGHI GROUP** consists of following companies and its daughter companies

- **BBM II NV**, a company under Belgian Law, registered under n°0551.946.133 with company address in B-8870 Izegem, Stuivenbergstraat, 106, and all its underlying companies as there are
  - **NV Subcon**, a company under Belgian Law, registered under n° 0441.857.269, with company address in B – 8870, Izegem, Stuivenbergstraat, 106.
  - **NV LBI**, a company under Belgian Law, registered under n° 0457.579.880, with company address in B – 8870, Izegem, Stuivenbergstraat, 106.
  - **NV Macome**, a company under Belgian Law, registered under n° 0406.162.952, with company address in B – 8870, Izegem, Stuivenbergstraat, 106.
  - **NV GB Boucherie**, a company under Belgian Law, registered under n° 0457.578.890, with company address in B – 8870 Izegem, Stuivenbergstraat, 106.
  - **Boucherie USA Inc.**, a company under the law of U.S.A, with company address in 37923 Tennessee, Knoxville, 8748 Gleason Road
  - **Machines Boucherie India**, a private Limited Company under Indian Law, with company address in 2EC-902, 2E Cross, 9th A Main Kalyan Nagar, 1st b 4069, Banaswadi, Bangalore, - 560043 India
- **BORGHI S.p.A**, a company under Italian Law, registered under n° IT03575150366 and with company address in 41013 Castelfranco Emilia (MO), Via Cristoforo Colombo,12, Loc. Cavazzona and all its underlying companies as there are:
  - **BORGHI USA Inc.**, a company incorporated under the laws of the United States of America, registered under n° 522206258, with company address in U.S.A., Maryland 21001, 903 Cirelli Court Aberdeen
  - **Ghirbo SL**, a limited company incorporated under the laws of Spain, registered under n° ESB08964041, with company address in Spain, Barcelona, Calle Agricultura, 7, Viladecans
  - **Borghì Machinery Shanghai**, a company incorporated under the laws of China, with company address in China, West of Building N.1 lane 333 Kebang Ind. Park Rongbei Rd. Songjiang District Shanghai
  - **Borghì Brush Machinery PVT Ltd**, a company incorporated under the laws of India, registered under n° U28999MH2011PTC220638, with company address in India, Mumbai, 2A,2 Court Chambers, 35, New Marine Lines
  - **Borghì Brasil Comercial Ltda.**, a company incorporated under the laws of Brazil, registered under n° 21.496.283/0001-84, with company address in Rua Passo da Patria, 790 Piso Superior, São Paulo (SP), CEP-05085-000
  - **Bellucci Srl**, a limited company incorporated under the laws of Italy, registered under n° IT02777550365 and with company address in 41013 Castelfranco Emilia (MO), Via Cristoforo Colombo n 16, Loc. Cavazzona

## Premise

BOUCHERIE and BORGHI intend to formalize and publish a common Code of Behavior (hereinafter referred to as the "Code") the set of those values and principles which should inspire and characterize the activities of the BOUCHERIE BORGHI GROUP (hereinafter referred to as BB GROUP), i.e. relationships within the group and corporate relations with and among employees, co-workers, customers, suppliers, partners in general, that is, with all those with whom the two companies of the group maintain business relations.

This code comes from the conviction and awareness that the economic process must necessarily be inspired and coordinated by a system of values, success comes not only from the pursuit of the objectives of an income nature, but also from the ability to integrate the economic dimension with the social, legal and ethics policies so that, effectively, business will help increase the collective well-being, producing both quantitative and qualitative improvements.

*Our belief is that these principles give us the ability to better meet the needs of our customers, constantly lose out in the game, to renew and improve ourselves as a group, as individual companies, as Individuals.*

## The Guiding Values of BB GROUP

### Honesty and respect

Acting and communicating in a sincere manner preferring the common interests instead of the individual ones.  
Founding the corporate development on respect for man.

### Transparency

Openly expressing yourself clearly avoiding misunderstandings and manipulations, with the aim to build connections and deep, loyal and long-lasting relationships, both within and outside the company.

### Membership

Feeling like a part of a single large team made up of company, employees, customers and suppliers.

Contributing to the image and reputation of the group.

Feeling proud "to be BB GROUP" and to be recognized as such.

### Partnership

Being proactive and collaborative with colleagues of the group companies and with all other partners, sharing goals and plans in order to meet mutual needs.

Feeling all as protagonists of a business processes.

### Commitment

Doing things with passion, sharing the company's vision and the objectives of own area of activity.

### Responsibility

Living one's own leading role as protagonists, taking charge of the expected solutions and of the decisions to be taken promptly, with determination, professionalism and credibility.

### Proactivity

Anticipating changes as continuous challenge for the achievement of success.

Promoting innovative solutions, exceeding expectations.

Believing in the choices that are made in order to ensure the competitive sustainability.

### Courage

Being able to deal with situations full of challenge with determination, overcoming the limits to seize the opportunities.

### Change

Interpreting and sharing the change as a lever for business development.

### Quality

Pursuing excellence, improving and innovating our skills for corporate and personal success.

Committing themselves to the utmost satisfaction of internal and external customers.

Demonstrating to our interlocutor, internal and external, that what has been agreed is what definitely he will get from us.

### Safety

Always acting in respect of health, individual and collective security.

### Listening

Delighting the internal and external customers, giving them constant attention to their needs even the unspoken ones.

### Enhancement and Trust

Believing in each others' awareness of and contribution to our values.

### Humility

Being able to call ourselves into question, avoiding arrogant positions, accepting the dialog.

## 1. Scope of application

The purpose of this Code is to give evidence and shape to the standards of conduct and rules which all members and employees must follow.

The Code is applied to all activities, and, without exception, to all employees, co-workers, consultants, suppliers, partners and all those who work for the achievement of the objectives of the Group and of the Companies.

Its spirit should guide the adoption and interpretation of all policies, guidelines, procedures and standards adopted by BOUCHERIE and BORGHİ.

The Code is considered crucial for relations with employees and third parties and it is an integral part of the conditions governing labor relationships.

The employees of the Group, in addition to fulfill the general duties of loyalty, fairness and execution of the employment contract acting in good faith, must strictly adhere to the precepts contained in the Code, which must be considered supplementary to the rules laid down in the contracts and/or in corporate rules put in place in the single companies.

## 2. Behavioral norms

### 2.1. Compliance with applicable laws and regulations and company procedures

The BB GROUP follows as an essential principle the compliance with the laws, regulations and all other applicable rules in the countries in which it operates.

Every employee of BB GROUP is bound to respect this basic principle, so as to observe all the rules, regulations and procedures that are widely used by the company brought to the attention of employees, as is normal.

The eventual ignorance or partial knowledge or existence of interpretative doubts on the above principle - as well as of laws, regulations and internal procedures –do not constitute in any way justification for any violations, as each employee is required to take the relevant information in accordance with as subsequently clarified.

In relations with third parties, employees of BB GROUP will take any more appropriate behavior tended to prevent any violations of applicable regulations.

BB GROUP is responsible for the organization and implementation of appropriate training initiatives aimed to promote awareness of the Code of Ethics and to sensitize all employees on its application.

### 2.2. Relationships and internal behaviors

#### 2.2.1. Relationships between the companies of the Group

The relationships between companies of the Group must be based on maximum transparency and compliance with the rules applicable in the legal systems of reference and shall be consistent with the strategic guidelines defined by the Board of Directors of BB GROUP.

The companies of the Group, through its institutional bodies and as envisaged by the relevant Statutes and regulations applicable in the jurisdiction, shall put in place all appropriate activities in order to give full effect to all stated above.

#### 2.2.2. Internal relationships and the protection of privacy

The relationships between colleagues who are working, at any hierarchical level, in all companies of the BB GROUP must be based on mutual respect, transparency, fairness and good faith, without discrimination based on sex, nationality, religion, and customs.

In the company the relationships between colleagues should aim to build a climate of mutual friendliness and professional cooperation, safeguarding the respect of rules and ethical principles socially recognized and shared. The managers are requested to have, in particular, a role of example in this regard towards all other collaborators. Each manager should aim at enhancing human resources committed to him and at ensuring, also through corporate functions, that the occupation is conducted in a climate of motivation, participation and responsibility, so as to enable the implementation of the best managerial policies, according to award criteria, based on principles of individual meritocracy.

The achievement of personal benefits in the enterprise can not and must not derive from the implementation of policies that merit mentioned above.

The relationships between the different levels of the corporate hierarchy must be based on principles of fair and appropriate evaluation of the performance and the behavior.

The implementation of all the above principles is committed, in particular to the highest levels of the hierarchy, which must be put in any initiative aimed at promoting, the involvement of all employees in achieving the company's mission and in fulfilling its specific tasks, as well as in detecting non-compliant behavior.

The right to privacy is an inalienable right for each partner and the employee and, as such, it must always be respected, compatibly with the corporate provisions for the protection and safeguarding of the assets, know-how and image.

The BB GROUP adopts every measure of privacy protection required by the applicable regulations.

### **2.2.3. Transparency**

In the framework of the principles and values of BB GROUP the transparency is a core value.

The BB GROUP believes that transparency consists in behaviors and attitudes of its own employees who tend to:

- ensuring an objective knowledge of the facts, as they actually occurred;
- ensuring an objective analysis of the consequences of an event and the various possible solutions to a problem;
- ensuring absolute consistency between facts and information;
- ensuring the involvement of the "best in class", at the professional and hierarchical level, in taking decisions and in the disclosure of information;
- ensuring the pursuit of the interests of the company;
- ensuring the reconstruction, through appropriate procedures and written documents of the phases that led to the taking of a decision and/or disclosure of information.

Transparency also means that for every action there must be an adequate supporting documentation in order to be able to proceed, at any time, to the supervisions verifying the characteristics and motivations and helping to identify who has authorized, performed, recorded and verified the operation itself.

All employees of BB GROUP must operate on a basis of absolute transparency, both within and outwards, highlighting any shortcomings or omissions in the professional areas of reference.

Any deficiencies or omissions shall not be concealed or resolved outside of procedures and business practices, but they must be recognized and addressed by involving hierarchical and functional relationships, in order to prevent the occurrence or continuation of situations of potential risk to the company.

### **2.2.4. Loyalty and conflict of interest**

Each member, manager or employee of BB GROUP, is required to follow behaviors of honesty and fairness towards the company.

A conflict of interest, actual or potential, occurs when an employee puts in place, either within or outside the company, activities or behaviors that:

- may in any way prejudice the interests of BB GROUP;
- involve direct or indirect achievements of benefits in favor of the shareholder, manager or employee, his family members or third parties, taking advantage or abusing of the goods, the resources, the know-how and of their position within the company.

Possible or potential conflicts of interest must be declared with transparency to the direct hierarchical superior by the employees who consider themselves involved.

### **2.2.5. Hiring of relatives**

In principle, the BB GROUP believes that the hiring of relatives is not in itself in conflict with the provisions of the Code of Ethics. It considers, however, essential that the possible inclusion of these resources should be done according to "criteria" of transparency and should be considered a priori the potential situations of conflicts with the privacy and autonomy needs of the various business functions.

Hence, it is not within the corporate policies of BB GROUP proceed with assumptions in case there are conflicts, or otherwise not in accordance with the above mentioned.

It is delegated to the Human Resources and Organization the responsibility for the verification of those situations as part of the selection process, both in terms of identification of cases of kinship, and the verification of the compatibility of the possible inclusion in the corporate context.

It is required to the employees of BB GROUP, if they are aware of contacts with their relatives with the company for inclusion into the company, to check with the people involved that it has been properly reported the existence of the relationship to the Human Resources Department.

Any situation which may not comply with the provisions contained in this section of the Code of Ethics must be promptly notified to the Human Resources Department.

### **2.2.6. Information and Confidential Information**

It is referred to as "Information" all data, documents, knowledge and processes of every kind and on any media, or may be referred or related to the BB GROUP or activities of BB GROUP for any reason and in any field, as well as shareholders, directors, officers and employees of BB GROUP and all shared information received from customers. They are referred to as "Confidential Information" information that, in addition to correspond to the definition specified above, can not be considered objectively of public domain.

By way of example but not limited thereto Confidential Information is considered that related to: know-how; technological processes; business, sales and strategic plans; the financial and strategic transactions; the list of customers, suppliers, collaborators and their trade-economic conditions; the personal data of employees and collaborators; product designs of clients, product developments of clients.

As a general rule, all Information and Confidential Information must be accessible only to employees or other persons specifically authorized, to the extent strictly necessary to perform the duties and functions assigned to them.

These persons must hold as absolutely confidential and must not use, except for permitted business uses, all Information and Confidential Information they know or to which they have access.

All employees must maintain the strictest confidentiality about information, although not specifically identified as confidential, and about Confidential Information that may become to know, signaling immediately that circumstance to the direct hierarchical relationship and, in any case, putting in place any activity aim to prevent the further disclosure to third parties of such information.

No Information or Confidential Information may be disclosed to third parties by the employees, that is it can be used by employees or persons with the same people, directly or indirectly related, to carry out operations of personal nature.

Any violation by BB GROUP employees of the principles mentioned above takes the form of serious misconduct towards the company.

### 2.2.7. Company properties

#### a) Company Assets

All the material goods of which the company has the ownership, possession or use rights and that are made available to employees for the exercise of their employment within the company (including, but not limited to: hardware, software licenses, e-mail, telephone equipment, vehicles, machineries, equipment and tools, etc.) are corporate assets and as such:

- they can be used by each employee, only if expressly authorized;
- they must be used correctly;
- they must be properly guarded in order to prevent thefts, losses, damages resulting from negligence, incompetence, etc.;
- It must be communicated to the competent authorities any defects, failures, destruction, etc.

Unless expressly authorized, the assets referred to above shall normally be used exclusively for business purposes and not personal, with absolute prohibition to:

- use to procure for himself or any third party any benefit or profit;
- use (with particular reference to computer and Internet) for entertainment and non-professional purposes, especially if they can undermine the dignity and ethics of the company and employees;
- duplication in any way and for any reason of software products without specific permission.

#### b) Intellectual Property

The exclusive Intellectual Property of BB GROUP, on which the company has the broadest power of use, consists of all technical information, know-how, patent, trademark, found, written and anything else made by BB GROUP and / or by employees as part of their work in the company or for the company, in accordance with the applicable regulations in the various jurisdictions.

BB GROUP can put in place every appropriate initiative required by law to preserve the intellectual property and to verify that employees, for whom there is a duty of safeguard and a ban on the use of these resources as their personal capacity or on behalf of third parties, do not comply any action aimed to violate or infringe in any way upon the rights of BB GROUP about Intellectual Property.

### 2.2.7. Gifts and presents

It is not permitted any form of gift that can be considered as exceeding of the usual commercial or courtesy practice, or interpreted as aimed at obtaining favorable treatments in the conduct of any activity in the BB GROUP.

## 2.3. External Relationships

### 2.3.1. Relationships with "stakeholders"

#### a) Community and social context

The relationships with the community and the social context in which the companies of BB GROUP operate are inspired to rules of transparency, compliance with applicable regulations and environmental protection.

Moreover, in all countries in which BB GROUP is present, it promotes (where necessary in the manner prescribed by the laws applicable in the different jurisdictions) to safeguard the rights of persons and workers, the protection of the security within and outside the work places, personal and professional growth of its employees, the community relationships and social context; this also through technical and security training initiatives and welcome events, for the enhancement and development of cultural, social and professional attitudes, promoted independently or in concert with the local authorities.

#### b) Customers

Relationships with Customers must aim at excellence in product, service and quality in accordance with the principles and values previously declined.

These relations must be based on the principles of mutual transparency and respect for the rules of the market and competition, as well as the applicable regulations in the countries where BB GROUP is present.

Trade policies must comply with the applicable regulations in the various jurisdictions and must be implemented on the basis of documentation to prove the rights of the parties on the basis of reciprocity.

Commercial incentives should be aligned with market practice and in accordance with the rules established by the BB GROUP.

Communication on social media about the company must be aligned with the companies' communication policy. No individual initiatives will be allowed unless there is agreement of the Companies' communication responsible. Negotiations with Customers must be conducted according to the principles of mutual commercial fairness, good faith and in compliance with the commitments assumed.

### **c) Suppliers**

Relationships with Suppliers must be primarily aimed at obtaining the best performance at the most affordable prices, while respecting the specificities and open negotiations with the same suppliers.

The selection of Suppliers and the negotiation of the terms of purchase of goods and services on behalf of BB GROUP, should be transparent and based on parameters of competitiveness, objectivity, fairness, price, quality (of the good or of the service), guarantees offered and, in any case, considering objective parameters of creating value for the company.

Any pressure of any kind in the choice of Suppliers must be strictly rejected and reported to the hierarchical supervisor.

It is not permitted to employees of any function and level to gain any personal advantage or for third parties as a result of direct or indirect relationships with suppliers.

### **2.3.2. Relationships with the Public Administration**

The relationships with the Public Administration can be managed exclusively by the corporate functions expressly delegated and authorized.

The relationships shall be based on total transparency, full compliance with applicable regulations, on the clarity and certainty of the communication mode of the operations carried out in order to avoid distortions in the reconstruction of the interpretative process followed.

It is forbidden to give money or gifts to directors, officers or employees of the Public Administration or their relatives, both Italians and other nationalities, if not in compliance with the criteria set out in paragraph 2.2.7. Gifts and presents and, in any case, in compliance with applicable regulations.

It is also forbidden to offer or accept any object, service, benefit, or favor in order to obtain a more favorable treatment in relation to any relationships with the Public Administration.

In case of using a consultant or other third party called to represent the BB GROUP in relationships with the Public Administration, the same guidelines applied for the employees of BB GROUP, shall be applied against such persons and their staff.

It is in any case prohibited to be represented, in relations with the Public Administration, by a consultant or by a third party when that might create conflicts of interest.

Any violation, actual or potential, committed by personnel of the BB GROUP or by third parties should be promptly reported to the appropriate internal authorities.

## **3. Health policy, job safety and environment**

An industrial development which is balanced, responsible and appreciated by the social community is part of the guidelines that inspired the action of BB GROUP.

The respect of health, individual and collective security is a binding principle in the activity of BB GROUP: the achievement of this goal guides business decisions and individual behaviors of all employees.

The Health Policy and Job Safety is therefore an integral part of the strategies and corporate policies, which constitute the instrument by which the management team of BB GROUP address its organization, to the pursuit of continuous improvement and processes and results.

BB GROUP undertakes in order to



- 1) The management itself and all its employees carry out their activities in full compliance with all, International, National and Local applicable legislation, and in accordance with schemes and voluntary regulations to which the companies have decided or will decide to conform.
- 2) Since the phase of definition of new activities, or during the revision of the existing ones, the safety aspects are considered essential contents. In particular BB GROUP undertakes, within the limits of feasible technical and organizational possibilities, to prevent accidents, injuries, occupational diseases and every possible source of offense to people, even through the CONTINUOUS improvement of its own management system for the safety and health at work. It is committed to set targets to improve safety and health in the workplace, to keep under control through meaningful indicators the performance of these objectives and to analyze periodically the possible reasons for delay or failure to achieve the goals.
- 3) All corporate structure (managers, supervisors, designers, installers, purchases and maintenance service, workers, etc.). participate, according to their functions and responsibilities, to achieve the safety objectives assigned in order to:
  - a) the design, operation and maintenance (including cleaning activities) of machineries, installations, equipment, workplaces, operating methods and organizational aspects are implemented to protect the health and safety of workers, the company's assets, third parties and the community in which the company operates
  - b) information about company risks is spread and understood by all workers; the training is carried out and updated with specific reference to the task being performed and it must cope with speed, efficiency and diligence to emergencies born in the course of work activities
  - c) It is promoted the cooperation between the various corporate resources with business organizations and it is complied with external bodies all laws and regulations in force.

#### **4. Acknowledgement of irregularities**

Every employee is required to comply with the provisions of the Code of Ethics; behaviors and work activities of each employee must conform to the provisions contained therein; in case of failures encountered by employees of any declarations of failure or partial knowledge of the Code of Ethics and its contents can not constitute an element of justification.

The Code of Ethics aim to fulfil a function not only legislative but above all as a guide for an ethical behavior, aiming to overcome a purely punitive approach, leading to a widespread and spontaneous adhesion to shared principles in the management of work relationships, and within all 'outside the company.

It is therefore preferred and desirable a full and voluntary adhesion to the Code of Ethics of BB GROUP by all those who are directly or indirectly involved and interested in it.

The checks relating to the application of the Code of Ethics are delegated to:

- each Employee;
- each Functional Managers;
- any Control Bodies.

Any violation, actual or potential, committed by employees of the BB GROUP or by third parties must be reported immediately to the ethical supervisor, in order to the internal competent functions are activated.

As ethical supervisors are appointed

- Mrs. Cinzia Biagi
- Mr. Geert Verbrugghe

Any penalties will be applied in accordance with the laws relating to employment and in compliance with applicable regulations.

The violation of the regulations contained in this Code of Ethics involve, in addition to disciplinary sanctions provided by the applicable laws in the different jurisdictions, the possible launch of legal action against the responsible parties.