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**1. Introduction**

This Code of Ethics (hereinafter: “**Code**”) is an official document of the company mG miniGears S.p.A., Herzog GmbH, mG (Suzhou) Co. Ltd and the holding hGears Holding GmbH (hereinafter, jointly: “**hGears**” or “**Group**”) and establishes the rules of business conduct to which all of the employees, members of company bodies, contractors, agents, consultants (hereinafter: “**Employees**” or singularly “**Employee**”), customers and suppliers of the aforementioned company (hereinafter together with the Employees “**Recipients**”) must comply.

From here onwards any reference herein this Code to hGears, must be understood as valid for all companies belonging to the Group.

The Code groups together the ethical principles and values that inspire the Group's corporate policy and that have to guide the conduct of the Recipients. The Group conforms its activities to the ethical provisions of this Code and it is fundamental that all Employees follow this Code, performing their duties with integrity. hGears, therefore, does not maintain relations with those who do not base their activities on the principles underlying this Code.

hGears complies with all domestic and/or local laws and carries out its activities based on the following principles:

- Respect for all individuals and, in any case, for any subject with whom it has business relationships;
- Appreciation of human resources, promotion of professional growth of its employees;
- Commitment to creating a safe and healthy work environment;
- Understanding of customers' and stakeholders' needs;
- Development of excellent technical and commercial expertise in carrying out its activities;
- Increasing competitiveness and financial soundness, while respecting healthy and prudent business management;
- Performance of work activity fairly, professionally and in good faith, building positive relationships with all those involved, including employees, customers and suppliers.

**2. General Principles****2.1 Discrimination**

In the scope of the applicable legislation, the policy of hGears prohibits all discrimination, harassment (“bullying”) or intimidation due to ethnicity, colour, religion, gender,

age, origin, citizenship, sexual orientation or physical disability.

## 2.2 Health, Safety, Protection of workplaces

hGears is committed to ensuring a safe, healthy, adequately protected and productive work environment and to spread and consolidate a culture of safety. All Employees are required to perform their tasks safely and promptly report any conditions that could pose a risk to health, safety or the environment.

## 2.3 Abuse of substances such as drugs or alcohol

In order to protect Group Employees from drug or alcohol abuse, hGears envisages the application of disciplinary actions, up to the dismissal, and/or in any case termination of the employment contract, for an Employee who, during work activity for hGears, uses, sells, possesses or is under the influence of illegal drugs or alcohol, or that such substances are consumed or taken during or outside of working hours, either on hGears premises or elsewhere

## 2.4 Conflict of interest

hGears requires that any situation in which personal interests are in conflict with the interests of the Group is avoided. Conflicts may arise when a Recipient or a member of his/her family receives inappropriate personal benefits as a result of the position of such Recipient in relation to hGears.

Employees have a duty of loyalty to hGears and must pay attention whenever their personal interests may conflict with the interests of hGears.

hGears employees are free to engage in external activities of their choice. These activities must not affect or otherwise bring discredit to the name of hGears. By way of example and not limited to, below is a list of prohibited conflicts of interest cases:

- Acting, while working at hGears, as a consultant or employee with any role at a competitor, supplier or customer of hGears;
- Hold a financial asset, debt securities or significant financial holdings with any hGears competitor, supplier or customer;
- Have a personal financial interest (other than your normal remuneration) in any transaction that involves the purchase or sale by hGears of any product, material, services with equipment or assets;
- Use of confidential information for own or third-party profit;
- The use of goods, materials, corporate equipment or computer systems or other activities of hGears for any unauthorised purpose.

## 2.5 It is prohibited to give/accept gifts or other benefits

hGears Employees can perform acts of business courtesy and exchange gifts other than cash and, in general, of a modest value, in order to promote trust with hGears' business partners, to an extent and of value so as not to exert any type of influence. Unofficial allowances or payments for the supply of specific services cannot be accepted or offered.

It is strictly prohibited to offer or accept, even in the event of festivities, for yourself or others, gifts, hospitality, entertainment, transport and any other excessive tangible or intangible

“item of value”.

hGears Employees may donate or receive indemnities or gratuities related to Group business, from or towards, customers or suppliers, provided that the following guidelines are met:

- The gifts do not breach any laws, official legislation, normal market policies and uses or policies known by the employers of the parties involved;
- They do not exceed the value of Euro 25.00;
- They are appropriate in relation to weather conditions and place;
- They do not condition the commercial opinion of the recipient disproportionately;
- They do not compromise the integrity or reputation of the parties.

## 2.6 Processing of confidential information

All Recipients must refrain from disclosing or using to their, or that of third parties, advantage any information or confidential information relevant to corporate activities.

Information and other material obtained by the Recipients by reason of their work cannot be disclosed externally without prior authorisation.

By way of example and not limited to, the following are considered confidential material: work projects, including business, industrial and strategic plans, information relevant to know-how and technological processes, financial transactions, operating strategies, investment and divestment strategies, accounting, financial and economic data before the same are made public, company manuals, Employees' personal data and databases relevant to customers, suppliers, contractors and employees.

The obligation to not disclose confidential information remains valid even following termination of the corporate office or employee and/or contract relationship. All documentation (including copies) within hGears, all information and other material, obtained from the Recipients on the basis of their positions within hGears, or for the fact of being in business relations with the latter, are and remain the exclusive property of hGears.

It is mandatory for all of the Recipients to deliver the above-mentioned documentation, information and material to hGears upon request of the latter and, in any case, upon termination of the employment or business relationship with the same.

Equity stakes in hGears or in any Group company, including those of hGears suppliers or customers, must not be processed on the basis of non-public information obtained by the Recipients.

## 2.7 Relations with the Public Administration and Judicial Authority

Relations with the Public Administration and Judicial Authority must be based on the utmost transparency, clarity and fairness. Contact with local or foreign Public Administration is limited to those who are specifically and formally authorised by hGears to deal with or have contact with such administration, with public officials, bodies, organisations and/or institutions.

In particular, it is not permitted to promise or offer, directly or indirectly, money or gifts of any kind or other benefits to managers, officials or employees of the Public Administration or their relatives, or to promote employment and/or business opportunities that may benefit Public Officials and/or Public Service Representatives, or to solicit, obtain, exchange confidential information that may compromise the integrity and reputation of the parties, as well as, in general, the performance of any other act aimed at persuading the Public Officials and/or Public Representatives, local or foreign, to do or omit doing something in breach of the legal system to which they

belong.

It is forbidden to allocate for purposes other than those for which they were granted contributions, grants or loans obtained from the State or other public body, even of modest value and/or amount.

hGears acts in compliance with the law and does not obstruct, within the limits of its knowledge, the correct administration of Justice. In particular, hGears, in carrying out its business, operates in a lawful and fair manner, collaborating with representatives of the Judicial Authority, law enforcement agencies and any public official with inspection powers.

During any type of access by the Public Administration or Judicial Authority to the hGears premises, the Employees involved must immediately inform their hierarchical superior and/or HR manager of the presence at hGears' registered office of Public Administration or Judicial Authority personnel and scrupulously follow any instructions or indications given by the latter. In any case, it will be the hierarchical manager and/or HR manager or persons appointed by the same, to directly handle relations with members of the Public Administration or Judicial Authority.

hGears requires Employees to be fully available to and to collaborate with anyone who comes to carry out inspections and controls on behalf of the Public Administration or Judicial Authority. It is forbidden to destroy or alter records, minutes, accounting entries and any other document, lie or make a false declaration to the competent authorities.

Without prejudice to the above, in the event of a request by the Public Administration or Judicial Authority or any other authority or body, Employees must, in any case, obtain approval from the administrative manager or HR manager before replying.

If the work of an Employee involves relations with local or foreign Public Officials, the same must inquire regarding the applicable provisions relevant to such relations and, if in doubt, speak to his/her hierarchical superior.

## 2.8 Contributions and political relations

hGears funds or resources cannot be used to provide direct or indirect contributions, in any form, to support politicians or political parties, anywhere in the world.

hGears facilities or resources cannot be used by Employees for political campaigns or collection of funds for political purposes.

## 2.9 Administrative management and hGears documentation

The Group's accounting and administrative documentation must produce reliable and accurate reports for the management and for shareholders, creditors, government bodies and third parties. For the preparation of the financial statements and bookkeeping, hGears complies with specific legislation and generally accepted Accounting Standards. Therefore, official corporate documents must be accurate, truthful and complete.

All Group transactions must be in compliance with applicable laws. To this end, Employees are required to be honest, objective and loyal in bookkeeping. It is forbidden for hGears employees to adopt fraudulent measures to induce, force, manipulate or deceive hGears external auditors. Employees are required, not only those directly responsible for the accounting entries, but also

Employees that collaborate with the latter for the compiling and keeping of the accounting entries, to prepare accurate and truthful documentation relevant to staff costs, handling of the warehouse and goods, orders and invoicing and, in general, relevant to corporate operations that are reflected in hGears' financial statements.

#### 2.10 Environmental protection

The Group carries out its activity in compliance with the applicable domestic and international environmental laws and legislations. Specifically, hGears complies with the fundamental principles of reducing the environmental impact of its activities, optimising the use of resources, as well as producing environmentally friendly products and services.

#### 2.11 Business transactions and prohibition of money laundering transactions

In business transactions, Recipients are required to pay particular attention to receiving and spending coins, banknotes, debt securities and securities in general, in order to avoid the risk of placing counterfeit or altered securities on the market.

Recipients must never perform or be involved in activities that involve the receipt, laundering and use of revenues, goods or benefits deriving from criminal activities in any form or manner.

To this end, Employees must verify the information normally available in advance (including financial information) on business counterparts, consultants and suppliers, in order to ascertain their integrity from an ethical standpoint, respectability and legitimacy of their activity before establishing business relationships with the same.

hGears complies with the applicable legislation on anti-money laundering and the fight against organised crime, both nationally and internationally, and Employees are required to strictly comply with the laws, corporate policies and procedures during any economic transaction including intra-group transactions that involve them, ensuring full traceability of incoming and outgoing cash flows and full compliance of these transactions with the aforementioned anti-money laundering laws.

#### 2.12 Confidentiality and data security

As part of its business, hGears collects a significant set of data and information that may be personal and confidential, which it undertakes to process in compliance with applicable data protection laws. Therefore, Employees must comply with these laws if they process personal and confidential information.

hGears respects the subjective right to the protection of the personal data of data subjects, whether employees, customers or suppliers, providing them with complete and up-to-date information on the processing of data - common or possibly sensitive - acquired by hGears itself or which will be acquired and/or processed during activity, and requesting the provision of their informed consent, whenever it becomes necessary and exclusively for the purposes for which the data processing is intended.

hGears guarantees a high level of security in the selection and use of its information technology systems for processing personal data and confidential information.

### 2.13 Business relations, suppliers and customers

HGears' success depends on building relationships with customers and suppliers that are based on integrity, fairness, mutual respect, non-discrimination and mutual trust. hGears undertakes to observe the principles of fair competition, loyalty and impartiality with customers, suppliers or competitors. hGears requires that suppliers and customers act respecting human and workers' rights as well as the environment.

### 2.14 International trade transactions

HGears complies with the laws and regulations applicable in the country of production, applicable EU directives and regulatory provisions.

## **3. Values and employee obligations**

### 3.1 Values

HGears undertakes to treat all of its Employees with respect and to allow them to achieve an appropriate professional growth based on their skills. hGears operates so that employees have access to employment opportunities based on their merits and are judged based on objective results. The growth plans created are implemented fairly and in good faith to provide equal opportunity employment for all types of activity and all organisational levels of the work force.

The honesty and professionalism of Employees are decisive values and conditions in order to achieve hGears' objectives.

HGears is committed to fostering the development of the skills and competence of each employee, promoting a work environment and behaviours based on the protection of safety, health and integrity as well as prevention of discrimination and abuse of any kind.

HGears promotes productivity and innovative spirit while respecting the limits of each person's responsibilities and skills.

### 3.2 Obligations

Employees are required to collaborate in order to maintain an atmosphere of decorum and mutual respect of everyone's dignity, as well as to cultivate and promote the acquisition of new skills and knowledge.

HGears requires that all Employees know the laws and regulations applied to their business activities and that business activities are conducted with integrity.

All employees are responsible for knowing, respecting and enforcing this Code. The management of each hGears company is responsible for the application of this Code within the relevant entity.

If a provision of this Code does not comply with the local laws of a country or jurisdiction in which the Employee works, such applicable local law will replace the corresponding



provision of the Code.

Some business activities may not be regulated by any law. Some laws and regulations may set standards that are below the expectations of hGears. In such situations, each Employee, before acting, must carefully analyse the situation and, when in doubt, contact the department manager.

This Code or other hGears policies and procedures will be updated or modified when necessary. Employees are asked to remain informed regarding any updates or changes (information that can be found both in shared network folders and/or on the Company/Group Intranet and/or on the website [www.hgears.com](http://www.hgears.com)), and to adapt to the updates/changes.

Compliance with the provisions of this Code must be considered a fundamental part of the contractual obligations of hGears' employees and, therefore, breach of this Code may result in penalties, including dismissal, or actions for the compensation of damages.

All Employees must:

- Know and abide by this Code;
- Know and adapt to the requirements and expectations relevant to their positions;
- Take responsibility for their conduct;
- Understand and comply with legislation and corporate policy applicable to their job and report breaches of the law or of the Code to management;
- Consult with their direct manager or management to obtain clarifications regarding the interpretation of the Code;
- Cooperate with any investigations into a potential breach of ethical or business conduct;
- Facilitate hGears in fulfilling its commitments to stakeholders;
- Cooperate in safeguarding hGears' reputation in all business relationships;
- Have a copy of the Code or have access to it on shared network folders and/or on the Intranet;
- Protect company data and confidential information of hGears as well as those of its customers, suppliers and third parties, who have disclosed confidential information to hGears;
- Comply with the applicable laws that control the financing of terrorist activities and money laundering.

Should Employees have questions about the ethics of any situation and/or behaviour, they should feel free to discuss the problem with their supervisor or with the department manager or HR manager. Confidentiality will be guaranteed within the limits of the law.

#### **4. Failure to comply with the Code**

##### 4.1 Penalties

Compliance with the rules of the Code must be considered an essential part of the contractual obligations of hGears employees, pursuant to and for the effects of the applicable legislation. Therefore, the breach of the Code for employees is considered a breach of their primary obligations of employment or a disciplinary offence, with all legal consequences, also with regard to the preservation of the employment relationship and also involving actions for the compensation of any damages resulting from the same.

For Recipients who are not employees, for whom the above penalties are valid, compliance with

the Code is a prerequisite for the continuation of the business/professional/contractual relationship with hGears; therefore, breach of the Code may be considered non-fulfilment of the contractual obligations, with all legal consequences, also with regard to the termination of the contract and/or appointment and may result in the compensation for damages incurred by hGears.

#### 4.2 Reports

All Recipients are required to know the Code, to actively contribute to its implementation and to report any shortcomings or breaches of the law or of the Code, without fear of punishment or retaliation.

### 5. Publication and monitoring

The existence and content of this Code is made known to the Recipients by:

- Delivery of a copy of the same to Employees and possibility of consultation at the HR department;
- Disseminated outside hGears through specific information sent to agents, consultants, suppliers and contractors, as well as by publishing on the website [www.hgears.com](http://www.hgears.com)

Any exceptions to any of the provisions herein this Code can only be made by the management of hGears, and such exceptions will be promptly disclosed by the competent bodies of hGears.