



## *CODE OF ETHICS*

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## **1. PREAMBLE**

Systems Development & Support S.r.l. (SDS) is a private limited liability partnership which is involved in the design and production of RF microwave systems, sub-systems and components.

The role undertaken on by SDS in both the domestic and international markets, and the nature and importance of the activities, presupposes the commitment on the part of those working for SDS or anyone who, in any way whatsoever, operates on behalf of SDS, to operate fairly, seriously, honestly, competently and transparently and with unfailing observance of laws, market regulations, the principles governing fair competition, all with due regard for the legitimate interests and expectations of customers, suppliers, partners and of anyone coming into contact with corporate operations.

For the correct development of relations within SDS and with the outside world, the Recipients of this Code of Ethics, i.e. the administrators, employees and more generally all those who cooperate in any way whatsoever, in the pursuit of SDS's aims (hereinafter jointly defined as "the Recipients") must cultivate and place at the disposal of SDS their cultural, technical, operational and ethical experience for the attainment of the aims indicated, each within the context of his/her own duties and responsibilities and with due regard for the duties and responsibilities of others.

In order to ensure that such complex relations are carried out correctly, SDS promotes an ethical behaviour on carrying out any activity and considers correctness in internal and external relations to be the basic criteria to which each action must conform.

On verifying the compliance of the organizational and internal control system with the provisions of the Legislative Decree n. 231/2001, SDS has decided to proceed with the drafting and publication of this Code of Ethics, which brings together all the principles of correctness, fairness, integrity, transparency and moral and professional commitment that from its very beginning have marked its relations to its personnel and to third parties and that, more generally, characterize how SDS carries out its corporate activities.

## **2. GENERAL PRINCIPLES AND THEIR APPLICATION**

SDS operates in full observance of the laws and regulations applicable in the places in which it carries out its activity, in compliance with the principles established by the Code of Ethics and/or by the procedures provided for internally.

Transparency, correctness, professional commitment, good faith and moral rectitude are the ethical principles to which SDS aspires - and from which it derives its behavioural models - in order to compete effectively and fairly in the market, improve customer satisfaction, increase its value for its partners and develop the skills and the professional growth of its human resources. In particular, the conviction of acting, in any way whatsoever, for the benefit of the company does not justify the adoption of a behaviour which is in contrast with the aforesaid principles.

The Recipients of this Code of Ethics are, therefore, committed to observe and to have observed the principles contained herein on performing one's duties and taking one's responsibilities. Such a commitment requires that parties with whom SDS has relations of any kind whatsoever will also act in their relations with the company in accordance with rules and procedures dictated by the same values.

Each Recipient is obliged to take care with due diligence, the assets and resources that he/she may be assigned on account of duties performed or assigned and to use them for legitimate purposes for SDS; moreover, he/she must

further notify the Supervisory Board (as defined in article 15) of any improper use that others may make of SDS assets and resources.

All actions, operations and transactions relating to SDS must be undertaken and carried out with all due respect for the law and the principles of fair competition and will be managed with the utmost correctness. All actions shall be duly documented and will be performed so as to be easily monitored and checked.

Relations with national and foreign Authorities will be marked by the utmost transparency and collaboration with all due respect for the respective institutional roles.

### **3. HUMAN RESOURCES AND EMPLOYMENT POLICY**

The loyalty, capability, professionalism, seriousness, preparation and dedication of personnel are determining values and conditions for attaining the objectives of SDS.

In order to ensure the development of the corporate objectives, SDS corporate policy aim to create and maintain the necessary conditions for the capabilities, skill and knowledge of each employee to grow further professionally, by recognizing merits and respecting equal opportunities. In this regard, the employee must cultivate and request the acquisition of new skills, capabilities and knowledge. Moreover, when carrying out his/her activities, the employee must always operate with all due respect for the organizational structure and allow the correct and orderly operation of the chain of internal controls within an exact and well constructed framework of responsibilities.

As concerns personnel selection, which must be carried out with due regard for the ethical principles as set out in this Code and with due respect for equal opportunities and without any discrimination, SDS operates so that the human resources hired correspond to the profiles that are effectively needed for corporate requirements while avoiding favouritism and concessions of any kind.

SDS staff is hired by a formal employment contract as prescribed by current laws and regulations and in accordance with collective bargaining agreements. In particular, SDS does not permit the hiring of personnel in breach of current child, woman and immigrant labour protection laws also when hiring external collaborators, suppliers or commercial partners.

### **4. WORKING ENVIRONMENT**

SDS, in compliance with the provisions of Italian Legislative Decree no. 81/2008 (Safety law) and other relevant regulations, is committed in safeguarding health at work by arranging and implementing all measures required to guarantee the highest standard of hygiene and safety provided for by current scientific knowledge. In addition SDS disseminates and strengthens workers' awareness of safety measures, by developing a policy of risk awareness and promoting a safety-conscious behaviour on the part of all members of the staff and collaborators.

In particular, are listed hereunder the fundamental principles adopted by SDS in decision making in terms of safety and hygiene at work:

- Avoid risks, by paying special attention to assessing risks which cannot be avoided;
- Fight risks at source;
- Design the workplace and work conditions to fit human needs, abilities and personal limitations;
- Keep pace with the evolution of technologies;
- Replace dangerous materials and equipment with safe or less dangerous ones;
- Plan risk prevention by arranging a comprehensive set of measures covering all aspects involved, from the organization of work, to work conditions and work environment;
- Give priority to measures of collective protection rather than individual protection ones;

- Correctly instruct workers.

SDS is committed in guaranteeing the observance of current safety laws and regulations also on the part of suppliers especially as concerns the compliance with hygiene and safety at work by providing for a system of contractual penalties and even the termination of contract in case of breach.

## **5. PROTECTION OF PRIVACY**

In compliance with current laws and regulations, SDS, is committed to the protection of the privacy of all its staff and whosoever interacts with SDS when dealing with information pertaining to the private sphere and the opinions of each individual. In particular the protection of the worker's dignity will be ensured through the respect of privacy in correspondence and interpersonal relationships between employees by prohibiting any interference in conferences or dialogues and any form of control not authorized by law that may harm their person.

SDS shall adopt appropriate measures required for the correct management of databases and personal data employed in absolute compliance with current laws and regulations by guaranteeing the confidentiality of the information processed and by entrusting their processing to authorized personnel only.

## **6. USE OF INFORMATION TECHNOLOGY INSTRUMENTS**

The employment of IT instruments and technologies shall conform to principles of fairness and the authenticity and integrity of data processed will be guaranteed especially vis-à-vis the Authorities and Government Institutions. Relevant policies for the management of IT instruments will be implemented and systems will be developed to fight "cyber crime".

## **7. INFORMATION ON MANAGERIAL FACTS AND ACCOUNTING DATA**

The integrity and clarity of accounting data, statements and accounts represent a fundamental value on reports with partners (who must be able to have easy access to corporate information) and any third parties who come into contact with the SDS (and who must be able to get a clear picture of the company's financial position).

To attain that, it is essential that the basic information recorded in the accounts is complete, truthful, accurate and valid. The relevant accounting records must be reported completely, truthfully, accurately and promptly and must be available for verification at any time.

Each employee or collaborator in any way involved in the management of information on corporate facts who learns about possible omission, falsifications or irregularities in bookkeeping and in the drafting of basic documentation is bound to report these in writing to the Supervisory Board (refer article 15 below).

## **8. CONFLICT OF INTERESTS**

There is a contractual relationship of absolute trust between SDS and the Recipients of the Code of Ethics, in the context of which it is the primary duty of the employee and of the collaborator to use the assets of SDS and his/her own working capabilities in the corporate interest, with due regard for the principles of this Code.

With this in mind, the Recipients are bound to avoid any situation and to refrain from any activity where personal interest may clash with the interests of SDS or which might interfere with and hinder the capacity to make impartial and objective decisions in the interest of SDS.

Therefore, these individuals must avoid exploiting their position and, in particular, must exclude any possibility of overlapping or crossing of economic activities in which there is or may be a personal and/or family interest in performing the tasks assigned by SDS.

The following are examples of what would be considered a significant conflict of interests within the context of the relationship established with SDS, and as such are not exhaustive: the involvement of the employee or the collaborator or of their relatives in business activities of suppliers, customers, competitors; the use of information acquired while carrying out work activities to their benefit or to the benefit of third parties and in any way in contrast with the interests of SDS.

Each situation of conflict of interests must be promptly referred to the Supervisory Board (as set out in article 15), so that the existence and seriousness of the situation may be evaluated and that the effects may be excluded or minimised. The pursuit of interests in conflict with SDS's interests and/or the concealing of cases of conflict of interests may, depending on the specific situation and the consequences implied, seriously harm the relationship of trust established with the employee or with the collaborator and represent a breach of contact.

## **9. CONFIDENTIAL INFORMATION**

In addition to the information subject to specific regulations and provisions as pertaining to military sectors or protected technologies or that is regarded contractually as a secret, confidential information comprises all the information learnt while carrying out work activities, the disclosure and use of which may cause danger or damage to SDS and/or unjustified earnings for the Recipients.

SDS distinguishes itself by a high level of technology and, therefore, the quality of the information that the employee or collaborator may learn requires absolute respect for the rules of protection of industrial secrets, both from third parties and parties not authorized for communication.

At any time and, in particular, on the occasion of the stipulation and execution of contracts, the obligation of confidentiality must be strictly observed when relating with third parties, the press and anybody who is not authorized for its disclosure.

Any form of exploitation, use for economic purposes or investment, either direct or through an intermediary, that is based on confidential corporate information is against current laws and as such is strictly forbidden. Breach of the obligation of confidentiality by the Recipients may, depending on the specific situation and the consequences of such behaviour, seriously compromise the relationship of trust, as well as the contractual relationship, with SDS.

The parties shall therefore commit themselves to the protection of privacy, both when processing data involving other employees of the Company, and when treating data relating to suppliers, consultants, contractors and any parties having corporate relations with these, with due regard for the applicable legislation.

## **10. RELATIONS WITH PUBLIC AUTHORITIES AND ORGANISATIONS**

Those Recipients that, in any way whatsoever, have relations on behalf of SDS with state and government authorities and with Public organisations, whether Italian or foreign, or with other parties representing collective interests and with the persons that represent them, must operate in constant and strict observance of the legislation applicable in Italy and in the country where the relationship takes place and its activities must be distinguished by correctness and transparency.

Care and attention must be paid in relations with the above-mentioned parties, particularly in activities relating to: tenders, contracts, authorisations, licences, concessions, requests for and/or management and use of any kind of public funding (national or community), management of orders, contacts with supervisory authorities or other independent authorities, social security organisations, tax collection agencies, organisations dealing with bankruptcy proceedings, civil, criminal or administrative proceedings, etc..

So as not to carry out actions in contrast with the legal regulations or in any way prejudicial to SDS's image and integrity, the activities referred to above and the management of relative financial resources will be undertaken with due respect for current laws and regulations and corporate procedures.

In particular, as provided for by the corporate principles of behaviour as set out in this Code, the following conduct is not allowed when relating with the parties referred to above, directly or indirectly:

- Promising or effecting disbursements of money beyond the scope or for purposes other than institutional and service.
- Distributing gifts and presents beyond those provided for by normal corporate procedure, that is, any form of gift offered that exceeds the normal commercial or courtesy practices, or that is in any way intended to acquire favourable treatment in the conduction of any corporate activity.
- Promising or granting benefits of any kind in order to influence the independence of judgment or to obtain any benefit for SDS.
- Behaving in a deceitful way that may cause the Public Authorities to make a wrong technical-economical evaluation of the products and services offered/supplied.
- Assigning contributions, subsidies or public funding for purposes other than those for which they were obtained.

## **11. RELATIONS WITH CUSTOMERS AND SUPPLIERS**

A correct and transparent relationship with customers and suppliers is a fundamental aspect of SDS's success, which must be pursued by offering the highest quality products and services, in competitive market conditions and with due regard for the rules of fair competition.

The selection of suppliers and the acquisition of goods and services must be made with due regard for the principles of this Code of Ethics, the assignee's responsibilities and internal procedures, in written form. In any case, selection must take place exclusively on the basis of objective parameters of quality, convenience, reliability, capability and efficiency.

SDS shall not establish business relations of any kind with anybody or any company involved with criminal organizations of any kind including the mafia or suspected as such, or concerned with the traffic of human beings or the exploitation of child labour, or else with individuals or groups connected with terrorist organizations aiming at intimidating people or at destroying the fundamental political, economic and social organization of a country or of an international organization.

To this purpose, the Recipients shall avoid any transaction which might be considered suspect in terms of transparency and correctness. In particular, the Recipients commit themselves to verifying the information available about their commercial partners, suppliers, consultants etc. with the scope of verifying their respectability and the legitimacy of their activities. The same will operate in such a manner as to avoid any implication in transactions which might favour the laundering of money coming from criminal activities, in full compliance with laws and regulations for money laundering.

In business relations with customers and suppliers it is forbidden to give money, benefits, services of any other kind, whether direct or indirect, gifts, acts of courtesy and hospitality, unless they are of such nature and value as not to compromise the image of SDS and that cannot be interpreted as intended to obtain favourable treatment not determined by market regulations. In any event, any gifts or acts of courtesy and hospitality must be submitted to the decision of superiors or the person in charge within SDS.

The employee or the collaborator who receives gifts or favourable treatment from customers or suppliers that go beyond the ordinary relations of courtesy or who come to know about gifts or favourable treatment received by other employees or collaborators, is obliged to inform the Supervisory Board immediately (as set out in article 15).

## **12. RELATIONS WITH POLITICAL ORGANISATIONS AND TRADE UNIONS**

SDS does not directly or indirectly favour or discriminate against any political organization or trade union. The company refrains from providing any contribution, direct or indirect, in any form, to political or trade union parties, movements, committees and organizations, or to their representatives and candidates, other than those due on the basis of specific legal provisions.

## **13. RELATIONS WITH THE PRESS AND MASS MEDIA**

External communications must follow the guiding principles of truth, correctness and transparency and must be aimed at fostering the knowledge and the consensus for the corporate policies and for SDS's programmes and projects. Great importance and attention must be given to the publication of documents, news and information concerning events affecting SDS activities that cannot be publicly known.

Relations with the press and the means of communication and information must only be held by parties expressly delegated for this, in compliance with the procedures adopted by SDS. Any request for news by the press or mass media must be communicated to the General Management before undertaking any commitment to respond to such request.

Relations with the mass media must be carried out with respect to the same rules already outlined for relations with the Public Institutions. In any case, relations with the press and mass media must be carried out protecting the image of SDS.

## **14. INTERNATIONAL COMPETITION**

Relations with domestic competitors and the international markets must be carried out in a transparent manner, with due regard for the rules governing competition and the abuse of dominant positions and restraining monopolistic behaviours.

In this field, the Recipients of the Code of Ethics must contribute to the creation and maintenance of a corporate image characterized by efficiency, competitiveness and transparency. Anyone operating abroad in the name and on behalf of SDS must act with all due respect for the laws of the country in which he/she is carrying out work activities and for the international rules regulating the market and corporate activity.

## **15. RULES FOR IMPLEMENTING THE CODE OF ETHICS AND REPORTING OBLIGATIONS**

The task of supervising the application and the observance of the Code of Ethics is entrusted to the Supervisory Board set up by the General Management of SDS in accordance with Italian Legislative Decree no. 231 of June 8, 2001, and entrusted with autonomous powers of initiative and control.

The Supervisory Board operates with impartiality, authority, continuity, professionalism and autonomy and may suggest updates to the Code of Ethics, also on the base of reports provided by the Recipients of the Code. The Supervisory Board also operates with wide discretionary powers and with the full support of SDS General Management, with which it collaborates in absolute independence.



In order to make the application of the Code of Ethics more effective, each Recipient of the Code is obliged to notify the Supervisory Board, in writing and without delay, any behaviour that does not comply with the contents of said Code carried out by anyone operating in any way whatsoever on behalf of SDS.

To this purpose SDS has communication channels through which all those who learn about any behaviour that is illicit or contrary to the Code of Ethics may freely, directly and confidentially refer to the Supervisor Board.

In order to facilitate such information the Supervisory Board may be contacted at the following email address: [Organismodivigilanza@sds1.it](mailto:Organismodivigilanza@sds1.it) . The Supervisory Board may be also contacted by addressing any communication to SDS Supervisory Board at Systems Development & Support S.r.l., Via Giacomo Peroni 400/402, 00131 Rome, Italy.

Anonymous reporting shall not be taken into consideration. It shall be SDS's responsibility to ensure the confidentiality of the identity of the notifier, without prejudice to the requirements of legal provisions, and to safeguard the notifier from retaliation, unlawful conditioning, hardships and discrimination of any kind in the working environment, due to having notified a violation of the contents of the Code of Ethics to the Supervisory Board.

It is the responsibility of the Supervisory Board to take into consideration and evaluate all notifications received. All the Recipients are obliged to collaborate with the Board, so as to allow the collection of any further information deemed necessary by the Board for a correct and full evaluation of the case notified. Any consequent measures shall be applied in compliance with the provisions of the sanctions system as set out in the following article 16.

## **16. VIOLATION OF THE CODE OF ETHICS AND THE SANCTIONS SYSTEM**

### ***16.1 In relation to employees***

Any employee's violation of the principles set out in the Code of Ethics and in the internal procedures provided for, will represent a breach of the obligations deriving from the labour relationship and will imply the application of disciplinary sanctions.

With reference to the sanctions that can be imposed, it is hereby stated that these shall be applied with due regard for the provisions laid down by current laws, by the National Collective Labour Agreement for Metal Mechanical Small Industries Sector (hereafter CCNL), as well as the Disciplinary Code adopted SDS.

Such sanctions shall be applied according to the significance of the individual cases examined and shall be proportionate to their seriousness. The assessment of the aforesaid infringements, the management of the disciplinary measures and the imposing of sanctions fall under the competence of the General Management.

### ***16.2 In relation to Collaborators, Consultants and other third parties***

Any behaviour exhibited by collaborators, consultants or other third parties linked to SDS by contract other than that of an employee in violation of the Code of Ethics, may determine the application of a penalty and, in the most serious cases, even the cancellation of the contract, without prejudice to any request for compensation for damages.