

	CODE OF ETHICS AND CODE OF CONDUCT (Lgs. Decree. 8 June 2001 n. 231)	PR 231-0	Page
		Rev. 0	1 / 26

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0	Emission				20/12/2012
Rev.	Description Changes	Draft.	Verif.	Approv.	Date
		Adv. Bruno	AD	Board	

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INTRODUCTION

This Code of Ethics (hereinafter, also referred to as the “**Code**”) is an expression of the ethical principles and of the values endorsed by the Employees¹ of CURTI Costruzioni Meccaniche S.p.A. (hereinafter, also referred to as “**CURTI**” or the “**Company**”) when conducting Company business and activities.

The Code also outlines the measures that the Company wishes to enforce from an ethical-behavioural point of view, in order to adapt its structure to the requirements imposed by Leg. Decree no. 231/2001 (hereinafter also referred to as “**Decree**”) and establish the line of conduct internal and external to the Company that is to be followed in the pursuit of Company objectives². Therefore, the principles described in this Code encompass and extend to the organizational and management models referred to by articles 6 and 7 of Leg. Decree 231/2001.

The Code of Ethic is thus formed:

- **general principles** in other words, the values that are counted essential and that are shared and recognized by the Company in achieving its mission, to which the various *stakeholders* involved are expected to inspire themselves in favouring the Company’s efficient management, its reliability and image.
- **criteria of conduct** applied to all categories of *stakeholders*, which provide the guidelines and standards which CURTI employees are obliged to follow, so as to ensure compliance with the general principles and prevent the risk of potential unethical behaviour;
- **implementation procedures** describing the System that monitors observance of the Code and guarantees its ongoing improvement.

¹ Collaborators means the administrators, the employees and those figures who under specific mandates or powers of attorney, represent the company toward third parties.

² The reputation of a company is one of its most valuable assets. Everyone has the duty to protect and enhance that reputation and to ensure that the company complies with the laws, regulations and ethical standards that apply to its activities. The recipients of the Code must familiarise themselves with these laws and ethical standards and with the policy and the directives of the company in this respect.

CURTI reiterates - also by way of this document - its will to create the conditions for a new business ethics, in order to effectively face the challenges posed by modern markets.

Its Employees therefore agree to comply with the principles and regulations contained in this Code, including the other *policies* of ethical-behavioural nature in other form adopted by the Company.

By arranging adequate information, prevention and control instruments, CURTI guarantees the transparency of its conduct, taking action if needed to stem possible Code breaches and ensuring its actual observance.

Code Recipients

The Recipients of this Code (hereinafter also referred to as the "**Recipients**") are:

- i. the members of the Board of Directors (hereinafter the "**Board**");
- ii. the Company's Board of Auditors;
- iii. employees hired with a permanent or term-based contract;
- iv. external collaborators;
- v. all other third parties with whom the Company entertains contractual relations in the pursuit of its objectives and that entail the provision of services (including temporary) or, in other words, the performance of activities on behalf or in the name of the Company, to the extent that they establish a

trust-based relation with latter.

Company Management is committed to provide the Recipients:

- suitable training and briefing sessions regarding the contents of the Code;
- ensuring its prompt distribution (copy of the Code delivered to all personnel), so as to prove its Employees were duly informed beforehand, with signature of receipt and a commitment on their part to comply with its contents, and also by posting the Code on its website and on the Company intranet;
- regularly monitoring respect and observance of the Code;
- guaranteeing that the Code is regularly revised and updated, in order to adapt it to any changes in the Company's organizational or administrative structure, to developments in civil awareness, to environmental conditions and to the legislative framework;
- enforcing appropriate tools for prevention, taking measures to impose fines and timely applying them in the event of a proven breach to the provisions of the Code.

Finally, considering that the Code is an integral part of their employment relation, Company employees agree to act and behave in keeping with what set out in this document, to report any breaches as soon as they come to know of any, and to actively participate in applying internal procedures devised to enforce the Code within the Company.

1. GENERAL PRINCIPLES

Honesty and fairness

CURTI entertains its relations with *stakeholders* according to the rules of fairness, loyalty, cooperation and mutual respect. Under no circumstances shall the pursuit of the Company's interests justify any behaviour which breaches the provisions of law and regulations. CURTI employees cannot accept homages, gifts and assets or succumb to any form of pressure that steers their conduct to external interests unrelated to the Company.

Legality

In conducting its business, the Company abides by the law and regulations in force in the Countries where it operates, and by the Code of Ethics and internal Company rules.

Respect for human dignity and equal rights

CURTI respects fundamental individual rights, upholding personal moral integrity and guaranteeing equal rights.

No behaviour is tolerated in internal and external relations that discriminates against race, religious belief, age, health, political and labour views, nationality, sexual preference and, in general, any personal human quality.

The Company considers social differences to be an opportunity in terms of innovation and development, achieved by encouraging dialogue and feedback of ideas, opinions and experiences.

The Company also ensures working conditions that are respectful of proper social behavioural norms. Furthermore, it exerts all efforts so that no instances of *mobbing* or *stalking* occur in the workplace.

Safety, healthcare and protection of working conditions

The Company is committed to diligently act in observance of the applicable legal provisions and standards on occupational health and safety, as well as to encourage their enforcement within the Company.

CURTI is also committed to spreading and strengthening a culture of safety, instilling greater awareness of potential risks and advocating responsible conduct on the part of all its employees.

The Company continuously inspects its premises and annexed plants that it either owns or leases, or that it in any other ways uses, even outside the scope of its legal obligations and the prevention of risks that are of imminent threat, in order to ensure the highest level of health and safety in the workplace.

CURTI's employees agree to provide their utmost cooperation and availability to the HSE and to anyone who is in charge of inspections and controls on behalf of any competent public Agency.

If the Employees of CURTI should notice unusual circumstances or breaches with pertinence thereto, they must immediately inform their Employer or, if applicable, the delegate Employer, pursuant to art. 16 of Leg. Decree 81/2008, besides the HSE.

Individual and team work

Work must be based on principles of trust and cooperation, as required by Company guidelines and the rules for relations between colleagues.

Teamwork is encouraged and stimulated. Personal interests must never come before Company objectives.

Social responsibility

CURTI applies socially responsible procurement policies that are not only based on legal requirements, but also on rules of conduct that are normally ethically and reasonably expected.

Confidentiality

CURTI Employees agree to treat all information acquired in performing their work as confidential and, therefore, not to disclose it to others, except to the extent that its disclosure is necessary for them to perform their work. The Company also demands that the information obtained be not used for personal interests, with the aim of drawing undue debt in ways that are contrary to the law, or so that the Company's rights, wealth and objectives are thereby harmed.

Transparency

Employees of CURTI are required to provide transparent, precise, complete and understandable information, so that in relations with the Company, *stakeholders* can

independently make decisions, aware of the interests involved, of available alternatives and of significant consequences. More specifically, when drafting any contracts, CURTI makes sure it specifies to the counterpart the conduct expected of it in all foreseen circumstances, in a clear and comprehensible manner.

Commitment to sustainable development and environment protection

The Company is committed to acting in compliance with the applicable legislation, applying the best technology available to promote and plan development of its business, aimed at streamlining the use of natural resources, preserving the environment for future generations and supporting initiatives for widespread environmental protection.

Being consistent with its own attention to environmental and territorial issues, CURTI undertakes, in particular:

- to comply with the regulations for the protection of the environment;
- to adopt certified environmental management and quality systems;
- to constantly update technological installations in order to ensure the reduction of polluting factors;
- to minimise direct and indirect environmental impact caused by the activity of the production plants;
- to adopt eco-efficient technologies;

2. CRITERIA OF CONDUCT

A. CRITERIA OF CONDUCT IN RELATIONS WITH SHAREHOLDERS AND IN ACCOUNTING ISSUES

Transparency of Accounting Ledgers

Accounting transparency is based on accuracy, truthfulness and thoroughness of the basic data documented in ledger entries. Each member of Company Boards, its management or the individual employees are required to cooperate, to the extent of their scope of responsibilities, so that administrative facts are correctly and efficiently reported in the ledgers.

Every transaction or operation must be authorized, verifiable, legitimate, apt, coherent and correctly and promptly documented and registered in the Company's accounting system, in accordance with the criteria established by law and on the basis of the applicable accounting principles.

It is forbidden to engage in conduct that can affect the transparency and traceability of information entered in the financial statements.

Every transaction is filed in the Company records with its supporting documentation, in order to allow:

- simple and timely accounting registrations;
- real time determination of the characteristics and reasons behind the transaction;
- identification of the various levels of responsibility and distribution and separation of tasks;
- an accurate reconstruction of the transaction, also to reduce the likelihood of errors, material and interpretational.

Employees and stakeholders - the latter to the extent they have been assigned thereto - who notice omissions, falsifications, or negligence in the Company's accounting system or in the documents on whose basis registrations are made, are required to inform the management or the division manager who they work for of their discovery.

If the report has no outcome or, in other words, if the employee or stakeholder does not feel comfortable with contracting his/her division manager to file a report, that employee or independent worker reports the matter to the Supervisory Board.

Consultants file reports directly to the Supervisory Board, to the extent of the service they provide to the Company.

Accuracy and filing of Company documents and internal audits

It is the duty of every Recipient to document and report all commercial information in a truthful and accurate manner. This rule also concerns information on job applications and on reported labour hours, representative expenses, production data, sales and commercial and/or marketing activities. Falsifying or modifying these documents, or knowingly approving false documentation entails serious consequences for the concerned individual(s).

No employee or independent worker can make payments in the interest and on behalf of the Company, if the documentation to support the payment and its formal authorization are lacking.

Financial documents must exactly reflect Company management facts and be drafted according to the criteria established by the law and the applicable and commonly accepted accounting principles. It is forbidden to withhold or deliberately conceal the real nature of any Company fact registered in the accounting ledgers and/or to omit reporting them; the

same applies to any other Company document that can affect the representation of the Company's financial position.

It is absolutely forbidden to open and/or hold concealed funds and reserves. The Company organizes training sessions and refresher courses to its employees, with the aim of informing the Recipients on the rules (provisions of law also on document filing and obligatory books and ledgers, regulations, internal prescriptions, trade category instructions) that apply to the drafting and management of accounting documents.

The documentation must be filed and destroyed in accordance with CURTI's filing policy.

Recipients must contact their division managers or the Supervisory Board for instructions on how to file documents afferent to their division.

They are required to immediately contact the above-mentioned subjects or Board if they are informed or know of the existence of a pending notice of indictment.

All documents that may concern the notice of indictment or other notices submitted over the course of investigations or at a later date must be kept on file, without taking account of the rules for document filing. Any question concerning the document's pertinence to a criminal proceeding in progress or closed must be addressed to the aforesaid subjects. Recipients must make sure that Company information is appropriately used. Documents that no longer need to be filed in accordance with the Company's filing/document elimination rules must be destroyed or eliminated for good.

The Company on all levels advocates a mentality veered to sound financial principles.

A positive attitude to audits considerably contributes to improving Company efficiency.

Internal audits are all the tools used by the Company to direct, manage and check its business, with the goal of ensuring compliance with the law and with Company procedures, protect its assets, efficiently manage business and provide accounting and financial data that is accurate and complete.

Every level of the organizational structure is required to contribute in developing an efficient and effective internal control system. For this reason, all Company employees are therefore responsible for making the internal control system work, as pertains to their line of work and their job-tasks. The Company guarantees its management and auditing Boards, as well as the Supervisory Board, they will be granted free access to all data, documents and information that is useful to the performance of their work.

Recipients are expected to fully cooperate with said Boards, actions that hinder or disturb management and auditing by Company Boards is strictly prohibited.

Financial statements

CURTI takes responsibility for complying with all directives that concern the drafting of financial statements. All Recipients involved in the drafting process must operate so that no untruthful information is reported that could affect proper representation of the Company's business in its financial statements. To ensure that financial information is efficiently distributed any unfaithful conduct, any conflict of interest, real or alleged that involves the Recipients who are involved in the preparation of the Company financial statements and any non-observance of the ethical rules applicable to said personnel must be referred to the supervisory board or their division manager.

Respectability of counterparties

Before they establish permanent business relations or stipulate agreements with suppliers and customers, Recipients must make sure that the latter enjoy a respectable reputation, that all their business is legal and that they are inspired by ethical principles comparable to those of CURTI.

Interviews

If someone outside CURTI, such as press and TV reporters, financial analysts, or investors should directly or indirectly or through an intermediary, make inquires on the Company, it is best to abstain from responding, unless specifically authorized by the Company. Requests for interviews to the Company must be approved by the Chairman of the Company Board, or by a person specifically appointed to grant authorization, before it is publicly disclosed. With the sole exception of requests for financial information made public, diligent compliance with this rule of conduct is paramount, since an inappropriate or imprecise response, or denied or disowned information could negatively affect the Company.

Money laundering

The Company guarantees that its economic and financial business will not be used, not even potentially, as a tool to conduct illegal activities and to support criminal and terrorist organizations.

CURTI at all times applies national and international money laundering legislation to its business engagements.

It is therefore a routine custom of the Company to diligently check the information available on its commercial counterparties, its suppliers, its *partners* and consultants, in order to verify their respectability and

that their business is legitimate, before it enters a business relation with them. The Company, moreover, checks that the transactions it is an involved party in do not display, not even potentially, the risk of favouring the receipt, replacement, or investment of money or assets profited from criminal activities.

B. CRITERIA OF CONDUCT IN RELATIONS WITH COLLEAGUES AND COMPANY

Consulting and professional services

Consultants and external temporary workers, as well as suppliers, are required to uphold the same behavioural *standards* expected of CURTI employees, when conducting business with or on behalf of the Company.

No employee is authorized, not even indirectly through a third party, to take any action that is not allowed by Company policies

Those who act in the name of and/or on behalf of CURTI are required to uphold and protect the Company's professional, respectable and fair image.

Use of the name and good name of CURTI is absolutely forbidden to *former* service providers and consultants, once their business relation with the Company comes to an end.

Commercial integrity is a key *standard* factor in selecting and maintaining relations with those who represent the Company.

Confidential information

As part of their obligations with the Company, all Recipients must protect CURTI's confidential information and employ it only in the Company and in its exclusive interest. The term "**confidential information**" refers to information on both current and planned Company business that has not been made public and that, if used or unduly publicized, could financially profit third parties, with unjust harm to the Company.

Confidential information includes, but is not limited to: commercial secrets and *know-how*, patented trademarks, sales and marketing plans and strategies, information on customers and suppliers, strategies to calculate prices and decide purchases, financial figures, production processes and technology *software* data, formulas, compounds, technique, service and new product protocols. All third-party incoming information entrusted to the Company is also to be considered as confidential.

All confidential information is property of CURTI (and/or of the transferee(s) of intellectual property rights) and can only be used in the pursuit of the Company's best interest.

More specifically, Recipients who are in possession or have access to confidential information must:

- avoid disclosing this information to persons outside the Company. As such, they must not discuss the information with family members, with persons with whom they entertain business or social ties, or in public places, including taxi cabs, elevators and restaurants;
- not exploit the information to their advantage or the advantage of persons foreign to the Company;
- make sure that the information is marked as “**confidential**”, “**reserved**” or with a similar marking;
- make sure confidential information is solely accessible by entering a *password*; if this is not possible, the information must be stored in safe place and, at any rate, under the close supervision of the persons in charge when the information is being used;
- not disclose confidential information to other Recipients, unless it is strictly unavoidable in order to pursue Company aims.

Confidential information must be treated as described above even after the Recipient(s) stop working for the Company. Recipients are required not to disclose confidential information to a new employer or to other parties even after their employment relation with the Company comes to an end.

When the employment relation ends, the Recipient is required to hand over all documents and materials that contain confidential information on CURTI to their line/division manager. Failure to comply with this confidentiality obligation is the source of serious culpability for the breaching subject. Besides taking all action to protect its own confidential information, the Company is respectful of the confidential information of others. If the Recipients should unduly come to know of confidential information, or be informed of such by parties sworn to secrecy, they are required to notify the Supervisory Board.

Privacy Protection

The Company is sensitive to the privacy of Recipients, which it safeguards by adopting the most suitable safety precautions and measures for the processing of personal information and/or sensitive data collected from time to time from its Recipients.

As required by the applicable law, it is forbidden to conduct any surveys or polls of the opinions, preferences, personal tastes and, more in general, of the

Recipients private life. It is also forbidden, except when established otherwise by the law, to disclose/distribute personal details without prior consent of the subject concerned; rules are therefore necessary to ensure that each Recipient is informed of the laws that protect his/her privacy.

Should activities be suspected to be in breach of the legislation on privacy or on privacy policies enforced by the Company, i.e. that are not in breach of the safety standards, they must be reported at once to the line/ division manager, to the data controller and to the Supervisory Board.

Recruitment and integration of persons

Personnel engagements, on one hand, respond to the need to acquire new skills and professional qualities on the market lacked by the Company, while on the other, to the need to add young adults to its workforce on whom invest to guarantee growth and development to the Company.

Search and recruitment of candidates to hire is assigned to Human Resources respecting the *privacy* of the candidates, based only on objective and transparent evidence, granting equal rights regardless of gender, race, etc. and rejecting any type of personal favouritism.

All new enrolments are offered a valid labour contract, as required by the legislation applicable in the Country where the employee is hired; no form of black labour is by any means allowed or tolerated.

On the date the Employee is hired and during the first trial period in the Company, he/she is precisely briefed, especially concerning the rules that regulate his/her employment relation, the Health and Safety rules and procedures applied in the workplace, Company policies and the rules of this Code, with the aim being to ensure from the beginning of the employment relation that there are no misunderstandings and to speed up the process of integrating the Employee into Company life and culture.

Computers and communication means

Every Recipient is required to adopt the measures that are necessary to ensure the safety of their *computer* and any *voicemail* or password. When using their *password* Recipients are expected to abide by the following rules:

- be sure to choose a *password* that is difficult to hack, i.e. not their own name or surname;
- be sure to change their *password* at least once every three months;

- never reveal their *password* to anyone inside and outside the company, nor note it down, thereby making it accessible to others

All digital information that is classified as sensitive, confidential, or reserved must be protected by a *password*. If for whatever reason the Recipient thinks his/her *password* or the Company's PC security or the communication devices, including computers, voicemail are at risk, he/she must change the password at once and inform his/her line/division manager of the suspected risk.

Company resources must not be used for illegal purposes, or in a manner that bothers or is offensive to others. When sending an e-mail or other recorded messages, it is advisable not to send comments, or use a language, images, or other types of recordings that could be the source of embarrassment if read by third parties. Remember that "**private**" e-mail can be easily forwarded to a vast public and once sent may not be withdrawn. Use of PC's and communication devices owned by CURTI to send e-mails or to access the internet exposes the Company's public image. Their use must not smear the Company's reputation and must in no way harm its image. Use of PC's and communication devices must follow *company policies*, the *privacy policy*, copyrights, trademarks, trade secrets and other considerations on intellectual property.

Use and protection of company assets

Every employee is required to exercise caution in order to safeguard Company assets, behaving responsibly and in keeping with the conduct procedures designed to regulate their use, precisely keeping written record of their use.

More specifically, every employee/worker of CURTI must:

- use the assets entrusted to him/her with parsimony;
- avoid improper use of Company assets that can cause damage or impair efficiency, or that at any rate is in contrast with the Company's interest;
- obtain authorization to use the assets outside Company premises, should there be need for such use.

All necessary measures must be taken against theft, wrecking and wrong use of Company assets by employees/workers.

Use of drugs and alcohol

All Recipients must personally contribute to promote and uphold an atmosphere of mutual respect in the workplace.

Being found or simply being under the influence of alcohol, drugs, or substances that induce similar effects while at work or in the workplace will be considered as conduct jeopardizing the above atmosphere of mutual respect.

Conflict of interests

The Recipients of the Code must ensure that every business decision is taken in the interest of the Company. They must therefore avoid all situations that represent a conflict of interest between personal or private economic activities and job posts held in the Company that may impair their impartial judgement and decisions.

If one of the Recipients finds him/herself in a situation that can even only potentially constitute or determine a conflict of interest, he/she must promptly inform his/her line/division manager or the Supervisory Board.

In the event of a possible conflict of interest, the first thing to do is to promptly and thoroughly report it to the person(s) in charge.

With special regard to employees, it is furthermore stressed that no one must take advantage of opportunities that could arise by exploiting the wealth, the information in his/her possession, or the job post held in the Company, and must not conduct any activity that could determine or constitutes competition with CURTI.

By mere way of example, the following situations can determine a conflict of interest:

- having economic and financial interests, including through family members, with suppliers, customers, or competitors;
- accept gifts, money, or favours of any kind from persons, companies, or agencies that entertain or intend to enter a business relation with the Company;
- use his/her position in the Company or information acquired on the job in a way that creates a conflict between his/her own interests and those of the Company.

C. CRITERIA OF CONDUCT IN RELATIONS WITH GENERAL PUBLIC

Gifts and benefits

It is explicitly forbidden to make any form of gift that can also be interpreted as exceeding standard commercial custom or courtesy or in any way meant to receive special treatment in the performance of any activity that can be linked to the Company.

More specifically, it is forbidden to make any kind of gift to public officers or their family members.

This rule of conduct applies independently of whether the gift is offered or received. It is stressed that a gift is anything that contributes a benefit to the giver/receiver (discounts that are higher than those normally applied by the Company, promising a job position, etc.).

In any case, the Company abstains from practices that are not allowed by the law, by standard commercial custom, or by Codes of Ethics of other companies or Agencies with which it entertains relations.

Any gifts received - except ones of small value - must be managed and authorized in accordance with company procedure and must be adequately documented.

Representative expenses

Expenses for meals, business trips and entertainment offered by third parties must be of small value and for justified commercial reasons. All expenditure will be made in conformity with the laws in force and the *policies* adopted by the company in this matter.

Subsidies and business trips

It is natural that in the normal pursuit of its business, CURTI will promote itself and its products, or that it will promote the development of the industry it is involved in, granting subsidies, sponsoring events or organizing trips for current or potential customers, taking charge for their cost and expenses.

These costs and expenses shall be examined in advance to determine if they are in accordance with the present Code, the Decree, other applicable laws and the *policies* adopted by the Company on such issues. Any possible doubts regarding thereto must be submitted for preliminary review to the Supervisory Board or the Board of Directors of the Company.

Relations with the Public Administration

Relations between the Company and the Public Administration, public officials, public service officers or public agents, must be inspired by the strictest observance of the law and applicable regulations, besides other specific *policies* approved by the Company and may not in any way compromise the integrity and the image of the Company.

Engaging commitments and managing relations of any kind with the Public Administration, public officials, or public service officers are exclusively reserved to Company divisions authorized to do so and to duly authorized personnel.

It is explicitly forbidden to take any action or make any promise of money or other commodity for illegal aims or to seek advantages.

This line of conduct applies not only to payments and/or promises made in person, but also those made indirectly under any form, even through consultants or third parties. In case of doubt, the Recipient must contact the Supervisory Board.

Relations with the Judicial Authorities

In case it is involved in lawsuits (administrative, civil or criminal), the Company undertakes to act in respect of the law of the provisions set out in this Code of Ethics.

More specifically, it is forbidden to Company boards and employees with a power of attorney to represent the Company before a Court to promise or give money or another commodity to magistrates, judges, chancellor officers and trial witnesses, with the aim influencing the verdict in favour of CURTI.

D. CRITERIA OF CONDUCT IN RELATIONS WITH SUPPLIERS AND CONSULTANTS

The Company seeks the professional skill and willingness to share the principles and contents of this Code in its suppliers and outsourced workers, and strives to build long-lasting relations to progressively improve the *performances* in safeguarding and sponsoring Code principles and contents.

Procurement and supply of goods and outsourced labor (including consultants, agents, etc.) demand that the Recipients:

- receive support from suppliers and external workers in providing continued customer and consumer satisfaction that effectively caters to their reasonable expectations in terms of quality, costs and delivery times;
- follow internal protocol when selecting and handling relations with suppliers and outsourced workers and do not preclude to anyone having the requisites sought out by the Company to compete for a supply order; evaluate objective qualities only in the recruitment process, in accordance with declared and transparent procedures;
- abide by the contractual conditions and request their compliance by the counterpart;
- maintain an open and honest dialogue with suppliers and external workers, according to good trade practices;
- promptly report to their line/division manager and to the Supervisory Board possible Code breaches.

Compensation payable must only be commensurate to the service mentioned in the contract and no payments are to be made to anyone besides the contractual counterpart, or to a third Country other than the one where the parties have residence or the contract terms are executed.

Every supplier and consultant will be paid with bank cheque, bank receipt, or by wire transfer on a bank account of the supplier/consultant.

3. PROCEDURES FOR THE IMPLEMENTATION OF THE CODE OF ETHICS

Application of the Code to third subjects

Anyone, even if acting in the name and/or on behalf of the Company, who comes into contact with third parties, with whom the Company wishes to enter legally binding agreements, or with whom it must by law entertain an institutional, social, political, or any other type of relation, is required to:

- a) inform the parties of the engagements and obligations imposed by the Code;
- b) demand that they fulfil their obligations regarding their activities;
- c) take a course of action within the Company that will guarantee observance of the Code, in the event that the third parties refuse to comply or if they fail to or partly do not attend their obligation to follow the provisions contained in the Code.

Contractual relevance of the Code

The Code, considered on a whole and along with all the relevant procedures approved by the Company for its implementation, is an integral part of extant and bargained Employment Contracts, pursuant to art. 2104 of the Civil Code.

Breaching any of its contents will therefore qualify as a criminal offence and, as such, liable to prosecution and to a fine by the Company, pursuant to and by effect of art. 7 of Law 300/1970; the offence in question may also lead to a request for damage compensation by the Company.

As for independent contractors, consultants, contractual counterparties and other third parties, agreeing to or, at any rate, endorsing the rules and principles set out in the Code are a *mandatory* preliminary condition for the Company to sign any form of agreement with said subjects; it thus follows that the approved, notified and accepted rules and principles form an integral part of signed agreements. In light of the above, any breach by third parties of specific Code provisions entitle the Company to withdraw from the agreement entered with such parties and also fully qualifies ex ante as just cause for its termination, pursuant to art. 1456 of the Civil Code.

The company appoints the Supervisory Board as "**Guarantor**" of the Code.

This function involves the following tasks:

- a) establish, jointly with Company management, the criteria and procedures to enforce compliance with the Code;
- b) promote guidelines and operating procedures with the aid of Company divisions that share in the responsibility;
- c) plan training and briefing sessions for employees with the goal of increasing knowledge and understanding of the Code within the Company;
- d) verify that the Code is, indeed, implemented;
- e) review reports of potential Code breaches;
- f) inform the Chairman of the Board of Directors of the outcome of any investigations conducted with regard to Code breaches, to then apply fines and, at any rate, serve as consultant in the regulatory process, if requested;
- g) submit action plans to the Chairman of the Board of Directors meant to help increase Code distribution and update;
- h) initiate and maintain an adequate flow of information between concerned subjects to whatever degree involved in ensuring compliance with the Organizational Model;
- i) submit an annual report to the Board of Directors on the Code's state of implementation.

Operational principles

The efficient enforcement of this Code of Ethics largely depends on operational principles that have been applied by the Company ever since it was founded:

- actions that agree with Company values and customer requirements (bargaining fairness);
- constructive, transparent, direct, honest and timely communication;
- a commitment to build, thanks to received trust;
- active involvement in teamwork and learning from mutual mistakes;
- progressive and relentless improvement of standing;
- definition of ambitious goals, without fear of encountering risk.

Shared obligations

It is a Company policy to comply with the laws and regulations applicable to its business industry. No action that breaches those laws and regulations must be undertaken in the name of the Company. Each Recipient must endorse the Company's legal and ethical principles that apply to its business and, if in doubt as to the appropriateness of the suggested conduct, he/she

must request the Supervisory Board to express an opinion on whether his/her conduct is in line with the rules set out in this Code.

The Company is committed to act with integrity and to manage its business according to the highest ethical models. Everyone must do his/her best to properly interact with customers, suppliers, competitors and colleagues. The tendency should not be to gain the upper hand in business relations by manipulating, concealing or abusing privileged information, or by misconstruing empirical fact. The attitude of each employee must be fair to everyone.

This Code states rules on conduct, personal and professional; as such, endorsing the Code does not in the least integrate stipulated engagements or guarantee a permanent position.

Rules of conduct of Company Managers

The Board members, Company Division Managers and Auditors are expected to follow the rules of this Code and to uphold values of honesty, loyalty, fairness and integrity in exercising their role, knowingly sharing the Company's mission.

It is the duty of the Board members to ensure the principles of this Code are upheld in practice, strengthening trust and cohesion, inspiring values to the Company.

To this end, the Board draws inspiration from the values expressed by the Code, even when establishing business goals. The Board of Directors acts in the full awareness that it is timely interpreting the principles expressed in this Code.

Obligations of Division Managers

Every Division Manager is required to:

- a) set an example to his/her staff in terms of conduct;
- b) make sure that staff follows the Code;
- c) take measures so that employees understand that abiding by the contents of the Code is an integral and substantial part of their professional service;
- d) recruit employees and independent workers who are sure to apply the principles of the Code;
- e) promptly notify the Supervisory Board any reports of breaches or requests for clarifications received from employees;
- f) prevent any form of extortion within his/her Division against workers or independent contractors who have taken part in the observance and factual implementation of the Code.

Employee obligations

Every employee is expected to know the rules of this Code and the reference laws that regulate his/her job tasks.

Employees have the obligation to:

- a) apply Code rules and abstain from behaviour that is contrary to those rules;
- b) always contact the line/division manager and Supervisory Board if in doubt, to receive clarifications on how to apply the Code or the reference legislation;
- c) promptly notify the line/division manager(s) of any received reports on possible Code breaches, except if the breach directly involves the division manager in question; if so, the employee must notify the "**next manager**" involved;
- d) provide assistance to the Company in investigations that aim to verify and, if there is need to, fine potential breaches.

The employee is not authorized to conduct investigations in person on presumed illicit conduct, but must notify his/her line manager(s) of known reports on such conduct.

The "**line/division manager**" is the person next in line to the employee, who is in charge by formal assignment or, at any rate, legitimately supervises and/or monitors his/her work.

Reporting a breach and requesting advice

The Recipients of the rules of this Code are required to report any behaviour that is even only potentially in contrast with its rules to the Supervisory Board or to their line/division managers. No one will suffer retaliation for having reported a suspected breach of the rules.

If doubts should arise while pursuing Company business as to the appropriateness of a certain conduct to this Code, or to other *ethical-behavioural policies* enforced by the Company, Recipients are expected to contact the Supervisory Board or their line/division managers. Every recipient is individually responsible for applying these rules and no one is expected to "apply them alone".

All Recipients of the Code of Ethics can report an verified or suspected breach of the Code of Ethics for Professional Conduct, in writing through a secure information channel: guaranteeing the anonymity of the reporting Recipient, the Supervisory Board will decide case by case if there is reason to preliminary investigation, in light of the available evidence.

Recipients can send reports to the following e-mail address: odv@curti.com The reporting Recipient is kept confidential, except if otherwise required by law.

Responsibility

An essential condition to work with the Company is to uphold a conduct that agrees with the legal requirements and key principles described in this document. Non observance of these

rules of conduct can legitimize the application of regulatory measures, based on the contents of the pertinent paragraphs of this Code, and may even result in the employee's dismissal.

The civil or criminal responsibility of the Recipient(s) for behaviour that breaches the rules of this Code is a distinct and separate issue.

As soon as the Company is notified of presumed breaches, it will decide, based on a number of significant parameters, namely the seriousness of the breach and the circumstances that have led to it, or based on Company protocol; the Company must consider the number of years an employee has been with the Company, his standing and contribution. Disciplinary measures may consist in the employee's temporary lay-off or suspension, or in his/her dismissal. Furthermore, if the Company suffers loss due to the breach (assets or financial), it is entitled to take legal action against the perpetrator to receive compensation.

The Company will cooperate with the competent Authorities if laws have been violated and, if it thinks it is necessary, it will directly report the breach to said authorities.

Breach investigation

All suspected breaches will be immediately investigated and handled with the utmost discretion; more specifically, investigations on breaches presumed of employees will be conducted as required by law and by the collective labour contract (please see the relative paragraph in this Code).

It is forbidden to the person who reported the breach to conduct investigations of his own accord. Investigations on presumed breaches may involve complex legal issues; acting out of one's own initiative can, therefore, invalidate the investigation and have severe repercussions on the employee and Company.

All reports of suspected breaches to this Code or, in other words, refusal to apply the Code or other Company policies of ethical-behavioural relevance must be notified to the line/division manager.

If a member of the Board of Directors has justified reasons to supersede the rules of this Code, he/she must first ask authorization to the Supervisory Board.

The Company will publicly announce the reasons for the dispensation as soon as the Supervisory Board grants its approval.

No retaliation

CURTI will implement the necessary measures to investigate any violations of the law or Company policies.

CURTI demands that its employees hold a fair and well-purposed conduct, also when reporting a breach of the law or Company policies: no retaliation against employees who have in good faith notified a spoken breach or who have taken part in the investigation of an alleged breach is accepted.

Breaches relating to service provision

The Company bases its relations with employees on transparency and therefore informs them directly and in advance of what it expects of their conduct. At times, situations may occur that are so serious, they negatively affect the employees, the work, reputation, service to customers and/or profitability of CURTI. Employees may receive progress reports on their performance.

At times, the Management may establish that progress is not reasonably possible or that the infraction is so serious that it calls for the immediate termination of the employment relation.

Code application and legal consequences

Breaches to this Code may have severe repercussions on the Company.

Granted that this Code does not only represent a pronouncement of the moral principles that inspire the Company's business, but rather is also a tool to specifically comply with the requirements established by Leg. Decree 231/01, it follows that the criteria applied by the Board of Directors in authorizing dispensations to the Code must be very strict, always checking that they do not engender a violation of the principles of the Decree or the actual enforcement of the Code and, in a broader sense, of the Model: the dispensations must, if approved, be immediately publicized. Every employee must therefore promptly inform his/her line/division manager or the Supervisory Board of any conduct that he/she knows of, which constitutes or may constitute a violation of the rules of conduct or values set out here.

Breaches of the rules of conduct of this Code by employees may lead to the application of fines, according to law, the National Collective Labour Contract (hereinafter referred to as the "CCNL ") and of the Code itself.

Once detected a possible violation of this Code or of the other policies adopted by Curti, the company will open a disciplinary proceeding in respect of the employee in accordance with the terms and conditions referred to in art. 7, L. 300/70 and of the national collective labour contract.

More specifically, disciplinary infractions to the rules of the CCNL and any Company regulation or the Code of Ethics can be punished, taking account of the gravity of the offence, in accordance with what described in the relevant paragraph of the organizational model.

Without prejudice to what is stated in the paragraph relating to the "**Contractual relevance of the Code**", accepting or, anyway, endorsing its rules or some of them, or its principles is a mandatory preliminary condition required of third parties with whom the Company entertains business, professional consulting agreements or commercial partnerships, to stipulate any form of contract between them and the Company. The specific rules contained in the Code and accepted by said parties or, in any case, approved by them, even for facts concluding from the same, pursuant to the previous paragraph, constitute an integral and substantial part of the contracts stipulated by the parties with the Company.

Any breach by third parties of specific Code provisions entitle the Company to withdraw from the agreement entered with such parties and also fully qualifies *ex ante* as just cause for its termination, pursuant to art. 1456 of the Civil Code.

The Company demands that its employees hold a fair and well-purposed conduct, also when reporting a breach of the law or Company policies: no retaliation against employees who have in good faith notified a spoken breach or who have taken part in the investigation of an alleged breach is accepted.

If seeking more information on the Code

For further information on these topics or other related, CURTI invites the Recipients to contact the Supervisory Board (odv@curti.com).

The rules on fines and on the breaches in relation to which each of them can be applied and to the procedures for their appeal must be reported in a code of conduct and must be made known to workers by posting them in a place accessible to everyone.

The rules of conduct must apply the pertinent contents of the collective contracts.

Identifying breaches in advance

It is not necessary for the code to include a precise and systematic description of the single infractions, their ranking and corresponding fines, since a loose but commensurate match-up between individual assumptions of infraction (albeit as said, approximate and not overly descriptive) and their estimated fine is sufficient, even if the fines may to some extent be arbitrarily applied and adjusted to fit the actual and practical negligence on the part of the worker, in accordance with the principle that calls for fines to be sufficiently specified so as to exclude that a judgement of the worker's conduct in question can be entirely the matter of a one-sided and utterly biased opinion of the employer (Court of Cassation August 9, 1996, no. 7370).

Fines can also be levied against conduct outside of the workplace, when the nature of the service provided by the worker demands a high margin of trust that extends to the worker's private life (Court of Cassation September 12, 2000, no. 11986).

Confirmation of receipt

Please fill out this form and return it to the Human Resources Manager.

I have received and read the "**Code of Ethics for Professional Conduct**" of CURTI Costruzioni Meccaniche S.p.A.: I understand and I promise to respect the rules and directives of CURTI Costruzioni Meccaniche S.p.A. exposed in this document and I declare to be not currently aware of any breach of these rules and directives.

Please write in block capitals.

Name Surname

Department

Date and signature