



FARAM

CODE OF ETHICS FARAM S.P.A.

MARCH 2009

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FARAM S.P.A CODE OF ETHICS

ARTICLE 1. NATURE AND PURPOSE OF THE CODE

The Code of Ethics (hereinafter: "Code") is an official document of Faram S.p.A. (hereinafter: "Faram" or the "Company"), approved by the General Manager and subsequently by the Board of Directors, containing the principles and rules of behaviour that must be respected by all those working within as well as with the Company.

The aim of the Code is to affirm and diffuse the values and rules of behaviour guiding Faram in its business activities.

ARTICLE 2. RECIPIENTS

This Code is binding and must be observed by all staff working for the Company and by all persons carrying out activities in the name of and/or on behalf of the Company, wherever they are based, in Italy or abroad, including persons with representative, administrative or management functions within the Company, auditors, external collaborators and consultants working on behalf of the Company.

ARTICLE 3. GUARANTOR OF THE IMPLEMENTATION OF THE CODE

The observance of the Code is monitored by the Supervisory Body set up in accordance with the "Model of Organisation, Management and Control pursuant to the Italian legislative decree of 8 June 2001, no. 231" (hereinafter: "Model").

Recipients and third parties may report violations of the Code to the following e-mail address: odv@faram.com or by sending a letter to: Organismo di Vigilanza - Faram S.p.A., Via Schiavonesca n. 71, 31040 Giavera del Montello (TV).

ARTICLE 4. COMING INTO FORCE, ADJOURNMENT AND DIFFUSION OF THE CODE

This Code was adopted with immediate effect on 30 March 2009, with a resolution by the Company's Board of Directors.

The Code may be consulted on the Company's website, on the corporate Intranet and is also posted on the noticeboards in the premises where Faram's business is carried out.

ARTICLE 5. IMPARTIALITY AND CONFLICT OF INTEREST

In carrying out its business the Company acts according to principles of correctness, fair competition and transparency with regard to all actors present in the market.

The persons required to observe this Code shall carry out their work duties impartially and in a neutral manner, making decisions in a correct transparent manner and respecting the law.

All Company staff shall avoid situations or activities that could lead to conflicts of interest with Faram or that could interfere with their capacity to make impartial decisions.

To this end, staff may not use their position in the company and the information acquired during the course of their work to create a conflict between their own personal interests and the Company's interests; moreover, without prejudice to the contractual regulations currently in force, Company staff may not accept external positions in companies or commercial undertakings whose interests are either directly or merely potentially in conflict or interfering with the interests of Faram.

ARTICLE 6. STAFF MANAGEMENT

Pursuant to the Conventions of the International Labour Organization and current legislation safeguarding labour conditions, the Company undertakes to respect fundamental human rights. In particular, the Company:

- avoids all forms of discrimination with regard to its own staff and offers all its workers the same opportunities so that everyone may benefit from fair treatment based on merit without any form of discrimination;
- recruits and hires its employees so as to guarantee the respect of values of equal opportunities and equality in line with the rules laid down by the applicable laws, with the Italian Workers' Statute and the Collective Bargaining Agreements;
- creates a work environment where the personal characteristics of the individual workers do not give rise to discrimination;
- guarantees respect for the privacy of staff and for their right to work without harassment;
- takes steps to ensure that neither internal nor external work relations can give rise to situations of intimidation through violence, threats, deceit, abuse of authority, through taking advantage of a situation of physical or mental inferiority or of situation of need or through the promise or consignment of sums of money or other advantages by superiors;
- does not enter upon work relations with persons lacking permits of stay and does not carry out any activities favouring the illegal entry into Italy of illegal immigrants;
- promotes an ethos of work safety, also by means of informational meetings and staff training;
- promotes an ethos of environmental respect.

ARTICLE 7. WORK ENVIRONMENT

The Company considers the following types of behaviour to be obnoxious and offensive, therefore condemning them:

- carrying out work under the effect of alcohol, drugs or substances with similar effects;
- consumption or dispensing of controlled substances while on the job;

- storage pornographic material in any place linked to the Company.

ARTICLE 8. USE OF CORPORATE ASSETS

All documents, work instruments, plants and equipment and other assets, both tangible and intangible (including intellectual property and trademarks) owned by the Company may only be used for the purpose of the corporate mission, in accordance with the conditions laid down in the mission; they may not be used for personal aims, transferred or made available to third parties and they must be used and stored with the same diligence that would be adopted for personal property.

Moreover corporate assets include business strategies and plans, lists of customers, staff data, marketing and sales programmes, organisation charts, product pricing policies, financial and accounting data and all other information relative to the business, customers and Company staff.

ARTICLE 9. ACCOUNTING AND FINANCIAL MANAGEMENT

The persons required to observe this code involved in accounting or budgeting must also comply with the provisions of the current regulations concerning the truthfulness and transparency of data and assessments.

The Company prohibits employees from replacing or transferring money, goods or other benefits originating from illegal activities, or from carrying out other operations relative to such activities with the aim of preventing their origins from becoming known.

To this end neither the Company nor its employees may carry out or be involved in activities involving receiving or dealing with proceeds from criminal activities, in any form or manner.

The Company asks its staff to check in advance all available information (including financial information) concerning commercial counterparties and suppliers so as to confirm their trustworthiness and the lawfulness of their business, before establishing business relations with them.

ARTICLE 10. HEALTH AND SAFETY AT WORK

The Company is very attentive to the issue of health and safety at work so as to avoid risks linked to the performance of the corporate business. It therefore requires its staff to fulfil all legal obligations laid down by the applicable laws. In particular, the Company:

- implements a health and safety at work management system;
- carries out the necessary staff information/training campaigns relative to health and safety;
- ensures that all its employees work in safe working environments and that they are supplied with the necessary safety equipment;
- adopts and maintains safe machinery equipped with suitable safety devices;

- periodically checks the suitability of plants and offices ensuring that workplaces are brought into line with legislation on workers' safety and health and asks all staff to same-height with the applicable regulations;
- requests third parties working on its behalf to guarantee the health and safety of workers and third parties while carrying out activities on behalf of the Company.

The Company requests all recipients to cooperate and collaborate with persons charged to carry out inspections and controls on behalf of the Company and/or of the relevant Supervisory Bodies. Therefore, should any member of the Company encounter violations or irregularities relative to work safety they should promptly inform the head of the prevention and protection service.

Company staff may not place other employees in situations of unnecessary risk that could damage their health or safety.

Everyone working for the Company is responsible for the good management and respect of the procedures adopted for the purposes of health and safety at work.

ARTICLE 11. QUALITY AND ENVIRONMENT

The Company considers respect for the environment a core business value and therefore makes strategic choices in line with the principles of sustainable development. It therefore requires its staff to fulfil all legal obligations laid down by the applicable laws.

The Company implements a certified integrated Quality and Environment management system.

The Company has also brought its production chain into line with sustainability policies, both in terms of energy consumption and CO2 emissions.

The Company observes the following and asks its employees to do so:

- current environmental protection regulations and principles;
- the principles laid down by ISO 14001 certification with regard to compliance with all environmental regulations during the production process.

The Company requires third parties working on its behalf to guarantee the protection of the environment while carrying out activities on behalf of the Company

Everyone working for the Company is responsible for the good management and respect of the procedures adopted relative to Quality and Environment.

ARTICLE 12. RELATIONS WITH THE PUBLIC ADMINISTRATION

The Company undertakes to scrupulously and fully comply with applicable legislation and regulations in all its relations with the Public Administration, Public Authorities and Public Institutions and forbids its employees from giving, offering or promising money or other benefits, or applying unlawful pressure to public officials, civil servants, managers, officers or employees of the Public Administration or their relatives or cohabitants to induce them to carry out actions lying within or beyond their official duties.

ARTICLE 13. EXTERNAL RELATIONS

The Company's main aim with regard to customer relations is to increase clients' satisfaction with and appreciation of its services/products, increasing its awareness of customer requirements, actual and potential, and supplying customers with truthful, precise, complete and correct information.

Therefore, these relations are managed according to principles of collaboration, professional preparedness and transparency, respecting confidentiality and privacy so as to lay the foundations for a solid lasting relationship of mutual trust.

When choosing its suppliers the Company bases its choice upon a careful technical and economical assessment based on an analysis of the following parameters: products, offer, the company's ability to guarantee health and safety at work, cost effectiveness, technical and professional qualifications, expertise and reliability.

In the case of on-going supply relations, the Company bases its relationships on principles of good faith and transparency and on the respect of values of fairness, impartiality, fairness and equal opportunities.

In its relations with external consultants, collaborators and agents, the Company follows the selection principles and criteria outlined above.

Should the company need to draw upon the professional consultation of employees of the Public Administration it will do so in compliance with the current regulations and legislation.

ARTICLE 14. CONTRIBUTIONS, SPONSORSHIPS AND GIFTS

The Company undertakes only to sponsor events with a cultural, sports or charitable content, also with the aim of promoting local initiatives.

The Company undertakes to only make donations to associations, foundations, public and non-profit bodies that have been lawfully incorporated in compliance with accounting, civil and fiscal law and according to the principles of complete transparency and correctness.

ARTICLE 15. CORPORATE OBLIGATIONS

With regard to the drawing-up of the balance sheet and of all other corporate communications, the Company observes the following and asks its employees to do so as well:

- the applicable codes and current accounting principles;
- correct and truthful representation of the Company's assets and financial situation.

Moreover the following are forbidden:

- the restitution of contributions made by shareholders or exoneration from the obligation of making investments, also by means of sham actions, with the exception of lawful reduction of the share capital;

- allocation of profit or advance payments on profit that has not actually been made or is earmarked for legal reserves or the distribution of unavailable reserves;
- formation or increase of share capital by allocating shares for a sum below their nominal value, reciprocal undersigning of shares, substantial overestimation of payment of goods in specie or cash, or overestimation of the corporate assets in the case of transformation;
- reduction of share capital, mergers or splits failing to comply with legislation safeguarding creditors;
- bringing about of fake majorities in the shareholders' meetings by means of fraudulent or sham actions.

ARTICLE 16. OBLIGATIONS AND SANCTIONS

The Recipients are obliged to observe the principles of this Code and comply with its behavioural guidelines.

Awareness of and compliance with the regulations laid down by the Code represent an essential condition for the establishment and maintenance of correct collaborative relationships with third parties to whom the Company undertakes to communicate all related information.

Employees and management violating the rules laid down by the Code will be liable to the sanctions contained in the disciplinary system that is an integral part of the Model adopted by the Company pursuant to Italian legislative decree n. 231/01.

Violation of the rules laid down by the Code by suppliers, external collaborators and consultants will be considered as a serious non-fulfilment.