

CODE OF ETHICS

GARO SPA

Approved by the Board of Directors on 16th June 2011

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1. General principles

1.1. Application field

The Code of Ethics is a collection of values, principles, behavioural guidelines that all employees at Garo SpA shall always follow when performing their working activities.

Also the members of the Board of Directors shall draw their inspiration from the values and the principles of the Code of Ethics.

The Code of Ethics is the main tool to monitor financial, economic, social and interpersonal relations, with special attention to the aspects linked to the relationship with Italian and foreign customers, with Italian and foreign suppliers, with the competitors, with wholly-owned and/or participating subsidiaries.

The Code of Ethics has the scope of defining ethical and moral standards in Garo SpA by indicating the behavioural guidelines that the whole staff shall hold.

1.2 Moral values

While performing their working activities and executing their functions within the company, all staff behaviour shall be based on the highest transparency and fairness.

All activities shall be performed with accuracy, honesty, fairness, professional rigour and moral integrity, according to the company's procedures and in compliance with the Code of Ethics and the laws that are in force in all countries where it operates.

1.3. Supervising the implementation of the Code of Ethics

The Supervising committee, established to guarantee compliance with the regulations of the Italian Legislative Decree 231/2001, within the field of surveillance, reports the adequacy of behaviours and compliance with the provisions set in this Code.

The Supervising committee, in relation to the surveillance activities, is commissioned by the Board of Directors of Garo SpA and shall :

- set about and promote the content of the Code of Ethics, with employees and consultants;
- delve deeper, implement, manage and operate the Code of Ethics in order to adapt it to the regulations in force;
- communicate the principles of the Code of Ethics so that this may become the behavioural reference tool during all corporate activities;
- assess, control and evaluate the violation of the written regulations by appealing in case of breach, through the corporate functions in charge, to the adoption of adequate measures in compliance with laws, procedures and the National Working Contract (CCNL);
- promptly inform the corporate functions in charge of any possible anomalous situation as to take immediate corrective actions;
- inform the Board of Directors of the implementation status of the Code of Ethics.

2. Behaviour in the workplace

2.1. Information channels and working environment

What stated and provided for in the Code of Ethics is a duty of the operative conduct of all employees at Garo SpA.

The company's top management, the management, all function managers shall always be an example and a model employees shall refer to at Garo SpA. They shall have an irreproachable conduct when performing their activities, they shall promote a cooperation spirit, trust, reciprocal respect and team spirit that will protect and improve the atmosphere, the image, the prestige and the leadership of the company.

Garo SpA is committed to communicating and informing its staff about the organizational model of Garo SpA establishing instructions and procedures to apply the management, administrative and operational processes of the company.

2.2. Confidentiality and privacy

All information, the knowledge acquired and managed by the employees shall remain strictly reserved, duly protected and for no reason may it be disclosed, within and outside the company, if not in compliance with the corporate procedures in force.

The reserved information that shall be considered as exclusive property of Garo SpA is :

- business, strategic, economic/financial, account, commercial, management, operational plans;
- projects, investments;
- technical-planning and constructive information, commercial and administrative information related to planning, mechanical production, installation and assistance processes;
- company agreements, commercial agreements, corporate documents;
- the know-how related to planning, mechanical production, installation and assembly, patents;
- the intellectual property of proprietary IT and operative systems;
- documents containing reproduction forbiddance;
- every corporate procedure;
- the databases of suppliers, customers, employees, agents, consultants;
- images taken inside the offices of the company, installation plants and in general concerning the working process for the production of Garo SpA machinery and systems.

All the staff shall always be extremely careful and reserved and shall avoid with their behaviour revealing information considered as reserved and belonging exclusively to Garo SpA.

2.3. Protection and use of corporate property

The company assets are formed by material physical goods such as production machinery, monitoring tools, computers, printers, several equipments, motor vehicles, furniture, mobile phones, infrastructures and immaterial goods such as know-how, technical knowledge, reserved information.

Protection and storage of these goods is a fundamental value to safeguard the company's interests and the whole staff shall be responsible and obliged not only to take care of these goods, and protect them, but also to avoid fraudulent and wrong use of them.

The use of these goods by employees is functional and shall be made exclusively to perform business activities or for the scopes authorized by the interested functions.

All Garo SpA personnel shall, thus, comply with the provisions of the Internal Regulations

2.4. Recording and circulation of the information

When performing their activities, Garo SpA staff shall carefully record, process and spread precise information, avoiding the creation of wrong impressions and supplying untrue and biased information.

Accounting, economic and financial records shall be inspired by these values and may not be transmitted or disclosed to third parties without the authorization of the qualified company function.

All actions and operations shall be adequately recorded and the decision, authorization and execution process shall need to be assessed.

The employees who are informed about possible omissions, falsifications and distortions of the accounting records and/or related documents are required to promptly inform their senior manager or the authorized company function and/or the Supervising Committee.

2.5. Internal controls

All activities performed within Garo SpA shall be legitimate, verifiable, and compliant with the laws, with the business procedures and shall be based upon validity, reliability and fairness.

For each operation there shall be adequate supporting documents in order to proceed with the controls certifying the features and the reasons of the operations and identifying those who have authorized, performed, recorded, and assessed the operation itself, in any moment.

In certain and verified cases of wilful misconduct, theft, omission, falsification, distortion, wrong use of reserved information, misappropriation of physical and immaterial goods belonging to the company, Garo SpA will start all necessary disciplinary actions and, if necessary, according to the seriousness of the infractions, shall start legal actions against the people involved.

Within its organizational model, Garo SpA carries out internal auditing activities to assess the implementation of corporate policies and procedures. The results of the audit are communicated to the Board of Directors in order to start adequate preventive and corrective actions.

3. Business behaviour

3.1. General regulations

When relating to third parties the employees of the company are always bound to keep an ethical and respectful behaviour of the laws, based upon the highest level of transparency, fairness and efficiency.

When relating to third parties and with reference to their roles, the employees are always bound to respect the law and the values and principles inspiring the Code of Ethics.

The employees are forbidden to sign agreements, even informal ones, with other companies influencing the correct competition among the various market operators.

3.2. Business fairness

The employees having relations with third parties shall always relate to them equally, in a correct, clear, transparent, professional and ethical way.

These principles are valid for customers, suppliers, consultants, co-operators, agents performing any activity directly for Garo SpA or on its behalf.

When choosing a supplier no pressure is allowed to favour them instead of another and to undermine the reliability and the trust that the market reserves Garo SpA.

In the relationship with customers and suppliers or third parties, no money offers and gifts are allowed to gain advantages of any time. In any case, no courtesy commercial actions shall be done under circumstances that may arise suspects of illegal behaviour.

The acquisition of information relating to third parties and deriving from public sources shall be performed with legal means and in compliance with the laws in force (Privacy Act).

Should personnel know reserved information they are bound to manage it with maximum confidentiality to avoid that Garo SpA may be accused of misappropriation and misuse of such information.

3.3. Relations with public institutions

Relations shall be based upon the highest transparency, clarity, fairness, honesty, loyalty and such as to avoid false and ambiguous interpretations by institutional bodies with which relations are created for different purposes.

It is prohibited to offer or accept any valuable object, service, performance or favour to obtain a better treatment that may relate to any relation with the Public Administration.

3.4. Relations with mass media

External communications shall always be true, clear and transparent, non-ambiguous or instrumental, compliant with the corporate policies and programs.

The personnel shall refrain from issuing any type of formal or informal external communication without prior authorization from the company function in charge.

3.5. Compliance with laws and regulations

Garò SpA manages and performs its activity according to organizational models based on the analysis of business processes and in compliance with laws and regulations in force. Policies and control procedures establish the operational modalities in compliance with the business strategies to reach the objectives by safeguarding the compliance with laws and regulations in force.

3.5.1 Health and safety of workers

Using the human resources, the tools and the economic resources at disposal, Garò SpA Management is committed to achieve workers health and safety improvement objectives, as integral part of its activity and as strategic commitment in relation to the more general aims of the company, so that:

- since the phase of defining new activities or revising those existing, security aspects be considered as essential contents;
- all workers be trained, informed and sensitized to perform their duties in safe conditions and take charge of issues dealing with Health and Safety in the Workplace;
- the whole company participates, according to single roles and skills, in the achievement of the security objectives assigned and is committed to respect the Garò SpA policy on health and safety of workers.

3.5.2 Confidentiality of information

Managers, employees and parties involved in the corporate activities are committed to respect confidentiality of business and personal information, according to the Privacy Act in force and to the related internal regulations.

3.5.2 Environmental aspects

Garò SpA Management, well aware of the environmental context in which it operates, is committed to make resources and means available so that the operational controls may be performed on the environmental impact caused by its activity. The company is committed to inform on the environmental aspects its employees and the parties involved. These shall engage in applying the practices to preserve the environment where Garò SpA operates.

3.5.2 Quality management

Garò SpA Management established a system of processes and procedures to respect the agreements signed with customers and in compliance with the binding regulations. Managers and employees of the company are requested to observe these processes and procedures during administrative and operative activities.

4. Conflict of interest

4.1. General principles

Garò SpA trusts and is honest towards its staff that, while performing their activities, shall achieve the general objectives and interests of the Company avoiding situations or activities that may contrast with such principles.

4.2. External working activity

The staff at Garo SpA may not :

- use company goods or supply services offered by Garo SpA to its customers, in their free time, without prior authorization of the company function in charge or their senior manager;
- represent, act or work on behalf of a Garo SpA supplier;
- offer their activity to competitor organizations of Garo SpA without authorization from Garo SpA itself.

Moreover, it is prohibited to accept and/or receive money or other favours for advice or services given in relation to the normal activities.

4.3. Use of time and corporate properties

During working hours, personnel may not perform other activities that are not related with their duties. Use of company goods, such as premises, equipments, reserved information of the company is not allowed for personal use of any type.

4.3.1 Use of the Internet and emails

All employees and those who are not employees using Internet services and/or emails, shall be aware of using these services and shall communicate with other interlocutors on behalf of Garo SpA. Thus, every query or message may have consequences, even important ones, in terms of image, workplace environmental ethics and corporate safety.

All personnel at Garo SpA shall thus comply with the provisions of the Internal Regulations about the use of the IT network.

4.4. Personal Economic Interests

The personnel of the company may not have any economic/financial interest in the activities or be part of a customers, supplier, competitor, should this become part of a conflict of interests.

4.5. Use of internal information

As previously described, while performing their function, the personnel may acknowledge reserved information regarding the company.

Use of this information for personal, private purposes is not only a moral and ethical problem, but also breach of current laws and as such punishable by law.

5. Corporate provisions

Garo SpA punishes employees' behaviour that is not congruent with and respectful of the values and principles of the Code of Ethics, according to the seriousness of the infractions, reserving itself the highest protection of its interests.

6. Enactment

This Code of Ethics will come into effect starting from 16/06/2011

Any variation or integration shall be approved by the Board of Directors