

**CODE OF ETHICS AND MANAGEMENT
OF
FRANCESCO FRANCESCHETTI
ELASTOMERI S.r.l.**

Nigoline, December 01, 2010

To all the employees of the company
FRANCESCO FRANCESCHETTI ELASTOMERI Srl
consigned by hand

SUBJECT: CODE OF ETHICS

The reputation and the consolidation of FRANCESCO FRANCESCHETTI ELASTOMERI Srl is the result of many years of work and also the commitment to safeguarding the fundamental values that are the foundation of our success.

In order to maintain the high standards of professionalism, and to avoid conflicting practices with respect to the values that you intend to maintain and promote, our company has approved the Code ETCO that we deliver as follows.

All the employees of FRANCESCO FRANCESCHETTI ELASTOMERI Srl are required to learn the principles contained in the Code of Ethics and to apply them in the performance of their work.

We encourage you to read carefully the following code attached to assimilate all the principles stated therein and, above all, to always apply in your daily work.

Ultimately, our success in this field does not depend on what we say but by what we do, so it is essential that each of us should be personally involved to respect the high ethical standards we have set ourselves.

Sincerely.

(Francesco Franceschetti)

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Introduction

Francesco Franceschetti Elastomeri S.r.l. (hereinafter called the Authority or FRANCESCHETTI ELASTOMERI), is a company that manufactures thermoplastic elastomeric compounds used in the sports sector both in winter and in summer (or the supply of materials from which they are then derived tools, such as ski boots or fins) and in other areas such as home, automotive and construction.

FRANCESCHETTI ELASTOMERI, in addition to abide by the conduct of its business, the laws and regulations in all countries in which it operates, intends to observe high ethical standards in the conduct of their daily work: these standards, and their underlying principles are collected in this Code of Ethics (hereinafter, the Code).

The code is an additional instrument of the rules of conduct laid down by the legislature: the simple compliance with the law, although a prerequisite, is often enough to FRANCESCHETTI ELASTOMERI, who claims that all business decisions and behaviors of their staff are based on ethical rules, even in cases where they should not be codified by law. The term **staff** refers to the set of people who work in FRANCESCHETTI ELASTOMERI, or for them: employees, directors and consultants under different titles.

The code sets forth the commitments and ethical responsibilities assumed by those who, in various ways, help to achieve the objectives of FRANCESCHETTI ELASTOMERI, with respect to: owners of capital, employees, contractors, consultants, suppliers, customers and other stakeholders. Subjects, who, in their complex are defined as stakeholders, are associated with the activity of FRANCESCHETTI ELASTOMERI.

Every person working in FRANCESCHETTI ELASTOMERI, who extends the application of the Code, is required at all times to comply with the requirements contained in this Code of Ethics.

Particular attention is required from the Directors and other Officers and members of the Supervisory Board, who have the task of overseeing the operation of the code and its updating: these parties are called upon to ensure that the principles adopted are consistently applied and to maintain a way that is an example to employees and collaborators.

The code is available to customers, suppliers and other third parties that interact with FRANCESCHETTI ELASTOMERI: in particular, attention is brought to third parties, which receive assignments from FRANCESCHETTI ELASTOMERI, or who have long-term relationships with it, formally inviting them to abide by the principles and standards of conduct, in relationships that they have with FRANCESCHETTI ELASTOMERI.

1. Standards of conduct for the organization

The principles listed below are considered essential, so FRANCESCHETTI ELASTOMERI is obliged to comply in respect to anyone. On the other hand, FRANCESCHETTI ELASTOMERI pretends that these principles are respected by all parties, internal and external, who have a relationship of any kind with FRANCESCHETTI ELASTOMERI itself.

- Compliance with laws and regulations

FRANCESCHETTI ELASTOMERI operates in strict compliance with the law and shall ensure that all the staff acts in this sense: the people must behave according to the law, whatever the context and the activities carried out and the countries in which they operate. This commitment must also apply to consultants, suppliers, customers and anyone who has a relationship with FRANCESCHETTI ELASTOMERI.

FRANCESCHETTI ELASTOMERI will not begin or continue any relationship with those who will not comply with this principle.

- Integrity of conduct

FRANCESCHETTI ELASTOMERI is committed to create and deliver products and / or services of quality and compete in the market according to the principles of free and fair competition and transparency, while maintaining appropriate relations with public institutions, governmental and administrative, with the citizens and with third-party undertakings. Everyone is required to work in any situation, with integrity, transparency, consistency and fairness, conducting honestly every business relationship.

- Repudiation of discrimination

In the decisions that affect relations with its stakeholders (choice of customers, relationships with owners of capital, personnel management and work organization, selection and management of suppliers, relations with the surrounding community and the institutions that represent it), FRANCESCHETTI ELASTOMERI avoids any discrimination based on age, sex, sexual orientation, state of health, race, nationality, political opinions and religious beliefs.

- Development of human resources

FRANCESCHETTI ELASTOMERI recognizes that human resources are a key factor for its development, which provides for a safe working environment, so as to facilitate the fulfillment of the work and to enhance the professional skills of each person. The work environment based on respect, correctness and collaboration, should allow the involvement and empowerment of individuals with regard to the specific objectives to be achieved and the methods for achieving them.

The management of human resources is based on the respect of the personality and professionalism of each person, ensuring their physical and moral integrity: the staff must always have a conduct that respects the people with whom

they come in contact, on behalf of FRANCESCHETTI ELASTOMERI, treating every person impartially and with dignity.

FRANCESCHETTI ELASTOMERI rejects all forms of forced labor, or performed by people who are less than sixteen years old, and does not tolerate human rights violations.

- Impartiality of authority

In the management of contractual relationships that involve the establishment of hierarchical relations, FRANCESCHETTI ELASTOMERI is committed to ensure that the authority is exercised with impartiality and honesty and that it avoids all forms of abuse: in particular, the FRANCESCHETTI ELASTOMERI guarantees that the authority does not lead to any exercise of power detrimental to the dignity and autonomy of the person.

These values must be safeguarded in any case, when making choices regarding the organization of work.

- Protection of health, safety and environment

The competent departments shall ensure that the work environment is not only adequate from the point of view of safety and personal health, free of prejudice but that each individual is treated with respect, without any intimidation and respect of his moral personality, avoiding illegal and undue hardship.

FRANCESCHETTI ELASTOMERI intends to conduct its business and maintain its investments in a socially responsible and sustainable manner from the environmental point of view. FRANCESCHETTI ELASTOMERI is also working to ensure complete and thorough communication with the community, taking care to disseminate accurate and truthful information about their business.

- Avoiding unethical behavior

There is retained unethical and foster the attitudes of hostility against FRANCESCHETTI ELASTOMERI, the conduct of any person, individual or organization, to reap the benefits from the contributions of others, exploiting positions of power.

- Correctness in contracting

The contracts and work assignments must be carried out in accordance with the parties knowingly: FRANCESCHETTI ELASTOMERI undertakes not to exploit conditions of ignorance or inability of its counterparties.

It must be ensured that, in relationships, anyone acting in the name and on behalf of FRANCESCHETTI ELASTOMERI who tries to take advantage of loopholes accordingly, or unforeseen events, to renegotiate the contract for the sole purpose of exploiting a position of dependence or weakness, in which the other party has come to find itself.

- Protection of competition

FRANCESCHETTI ELASTOMERI intends to protect the value of fair competition and refrain from collusive behavior, predators and abuse of position. Therefore, all those who for various reasons work with FRANCESCHETTI

ELASTOMERI will not be able to participate in agreements that discipline the rules governing free competition between companies.

Transparency and completeness of information

FRANCESCHETTI ELASTOMERI is required to provide complete, transparent, comprehensible and accurate information, so that, in establishing their relations with the company, the stakeholders are able to make autonomous decisions and aware of the interests involved the alternatives and relevant consequences.

In particular, in the formulation of any contracts, FRANCESCHETTI ELASTOMERI takes care to specify the contractor how to behave in all circumstances provided in a clear and understandable manner.

- Protection of personal data

FRANCESCHETTI ELASTOMERI collects and processes personal data of customers, owners of capital, collaborators, employees and other people, both natural as well as legal. These data consist of any information that serves to identify, directly or indirectly, a person, and may include sensitive data, such as data revealing racial or ethnic origin, political orientation, health status or sexual orientation.

FRANCESCHETTI ELASTOMERI shall treat such data in the limits and in accordance with the provisions of current legislation on privacy, with specific reference to Legislative Decree 196/2003 (Privacy Code) and its annexes.

The staff of FRANCESCHETTI ELASTOMERI who, in the context of work tasks, have to process data, sensitive or not, should always proceed in accordance with the legislation and operating instructions given in this regard by FRANCESCHETTI ELASTOMERI itself.

- Corporate management

All the Directors and employees in any way involved in drawing up the financial statements are required to comply with the regulations governing the accuracy and clarity of the data and evaluations.

All the Directors and employees must provide the fullest and timely cooperation to all the bodies of internal and external control of FRANCESCHETTI ELASTOMERI for the best performance of their tasks.

All the Directors and employees are required to strictly comply with the adopted "Model of Organization and Management" pursuant to the Legislative Decree no. 231/2001.

- Processing of information

The information about the stakeholders is treated by FRANCESCHETTI ELASTOMERI respecting the confidentiality of the parties concerned. In particular, FRANCESCHETTI ELASTOMERI:

- defines an organization for the processing of information that ensures proper separation of roles and responsibilities
- classifies information according to levels of increasing criticality and takes appropriate countermeasures for each phase of treatment
- requires third parties, involved in the processing of information, to sign confidentiality agreements.

2. Principles of conduct to be followed by staff

People, employees, directors and consultants, shall observe the following principles listed in the action to be taken towards FRANCESCHETTI ELASTOMERI.

- Professionalism

Each person carries out its work and its performance with diligence, efficiency and correctness, using the best tools and the time at his disposal, and assuming the responsibilities related to compliance.

- Loyalty

The people are supposed to be loyal to FRANCESCHETTI ELASTOMERI.

- Honesty

As part of their work, the people of FRANCESCHETTI ELASTOMERI are required to know and comply with diligence the organizational model and applicable laws. In no case may the pursuit of FRANCESCHETTI ELASTOMERI justify dishonest conduct. FRANCESCHETTI ELASTOMERI prepares the necessary tools to properly inform people, if there are any doubts about how to proceed.

- Correctness

People cannot use for personal information, goods and equipment, which are available in the performance of duties or tasks assigned to them.

Each person does not accept, nor effects, either for themselves or for others, pressures, recommendations or reports, which may be prejudicial to FRANCESCHETTI ELASTOMERI or undue advantages to themselves, FRANCESCHETTI ELASTOMERI or to third parties; each person rejects, and does not effect, promises of undue offers of money or other benefits.

- Confidentiality

People must ensure maximum privacy, with respect to news and information to corporate assets or linked with FRANCESCHETTI ELASTOMERI, in accordance with the provisions of the law, current regulations and internal procedures.

In addition, people of FRANCESCHETTI ELASTOMERI are required not to use confidential information for purposes not related to the exercise of their activities: for example, to engage in the illegal insider trading activity.

- Resolution of conflicts of interest

People pursue, in their work, the objectives and the general interests of FRANCESCHETTI ELASTOMERI.

They shall, without delay, inform their superiors or representatives of situations or activities in which there might be an interest in conflict with that of FRANCESCHETTI ELASTOMERI, by the people themselves or their close relatives, and in any other case where justified by important reasons of convenience.

People respect the decisions that are taken in this regard by FRANCESCHETTI ELASTOMERI.

3. Standard of conduct

3.1. Relations with staff

- Recruitment

The evaluation of personnel is carried out based on matching the profiles of the candidates, from those expected and the business needs, in compliance with equal opportunity for all stakeholders.

The information requested is strictly related to the verification of the aspects provided by the professional profile and aptitudes, while respecting the privacy and opinions of the candidate.

The function of the staff shall, in the selection, adopt appropriate measures to avoid favoritism and facilities of all kinds.

The staff is employed with a regular employment contract and no form of illegal labor is tolerated.

At the time of the establishment of the employment relationship the person receives accurate information about:

- characteristics of the function and duties to perform
- regulations and wage
- standards and procedures to be adopted in order to avoid possible health risks associated with the job.

This information is presented to the person in such a way, that the acceptance of the assignment is based on a real understanding of their content.

- Management of staff

People are the main resource of FRANCESCHETTI ELASTOMERI. For this reason FRANCESCHETTI ELASTOMERI pays particular attention to the enhancement of individual and professional growth of people, based purely on merit.

FRANCESCHETTI ELASTOMERI is committed to protect the moral integrity of every person, guaranteeing the right to working conditions which respect to their dignity. Everyone must be treated with the same respect and dignity, and are entitled to the same opportunities for professional development and career. FRANCESCHETTI ELASTOMERI avoids any form of discrimination in respect of its staff.

During the processes of management and staff development, as well as in the selection phase, the decisions taken are based on the correspondence between expected and actual skills of the people (for example in the case of promotion or transfer) and / or on considerations of merit (for example, allocation of incentives based on the results achieved).

Access to roles and assignments are made on the basis of skills and capabilities; in addition, consistently with the overall efficiency of the work, there are favored forms of flexible work arrangements that facilitate the people in a state of motherhood, as well as those who have to take care of children.

The assessment of people is carried out in an enlarged manner, involving managers, staff and, wherever possible, people who have entered into a relationship with the person being tested.

- Integrity and protection of individuals

FRANCESCHETTI ELASTOMERI protects workers against acts of psychological violence and opposes any attitude or discriminatory behavior or which may offend people. FRANCESCHETTI ELASTOMERI agrees not to exercise any kind of discrimination or harassment of its staff. The achievement of individual objectives should be evaluated equally; establishing criteria that are clearly set out, to be used to assess the skills of the people and their contribution, the results should be adequately recognized.

All people, as part of its activities and relationships, are bound to respect these principles and to cooperate with FRANCESCHETTI ELASTOMERI for their protection. Any reports of discriminatory acts must be immediately forwarded to their manager and to the head of Human Resources, without any fear of retaliation.

The person who believes to have been subject to harassment or have been discriminated on the grounds of age, sexual orientation, race, state of health, nationality, political opinions, religious beliefs, etc., may signal the event, as well as to patrons in the hierarchy, even to the Supervisory Board.

FRANCESCHETTI ELASTOMERI does not tolerate any act of discrimination or harassment: the people who act as protagonists of such acts will incur in disciplinary sanctions, which may extend to termination.

The disparities are not considered as discrimination if they are justified, or justifiable on the basis of objective criteria.

- Dissemination of personnel policies

Personnel management policies are made available to all people, through business tools: among them there are the Internet, Web, organizational documents and communications maintained by the managers.

- Optimization and training resources

The people responsible use and fully exploit all the professionalisms in the structure, through the activation of the levers available to encourage the development and growth of people: for example, job rotation, job training with experienced staff, experiences aimed at covering positions of greater responsibility.

In this sector it is particularly important, on the part of the managers, the communication and the strengths and weaknesses of the people, so that they can strive to improve their skills, including targeted training.

FRANCESCHETTI ELASTOMERI offers people information and training tools at a distance, with the aim of enhancing the specific skills and preserves the value of professional staff.

The training is given to groups or individuals, based on specific professional development needs.

There is foreseen a formal training, supplied at certain times of the business life of the person (for example, for new employees there is provided an introduction to the activity of FRANCESCHETTI ELASTOMERI), and a recurrent training given to operational staff.

- Management of the working time of people

Each manager is required to optimize the working time of people requesting services consistent with the exercise of their duties and with the plans of work organization.

It is considered as an abuse, in the role of the authority, to require, as a necessary act to their superior, personal favors or any conduct that constitutes a violation of this code of ethics.

- Involvement of people

There is assured the involvement of staff in carrying out the work, also providing moments of participation in discussions and decisions to the achievement of corporate objectives.

People need to take part in such a spirit of cooperation and independence of judgment.

Listening to the various points of view, consistent with business needs, enables managers to make the final decisions; personnel must, however, always contribute to the implementation of the established activities.

- Interventions on work organization

In the case of reorganization of work, there is safeguarded the value of human resources, when needed, training and / or retraining. FRANCESCHETTI ELASTOMERI therefore adheres to the following criteria:

- the costs of the reorganization of the work must be distributed as evenly as possible among all persons, consistent with the effective and efficient performance of the activities.
- in the case of new or unexpected events that need to be made explicit, however, the person may be assigned to different tasks, compared to those previously carried out, taking care to preserve his professional skills.

- Health and safety

FRANCESCHETTI ELASTOMERI is committed to providing a work environment that protects the health and safety of its personnel.

FRANCESCHETTI ELASTOMERI is committed to promoting and strengthening a culture of safety, developing risk awareness and promoting responsible behavior on the part of all people; FRANCESCHETTI ELASTOMERI also works to preserve, especially with preventive actions, the health and safety of workers.

All people must comply with the rules and procedures in the field of risk prevention and protection of health and safety, and promptly report any deficiencies or non-compliance with the applicable rules.

The aim of FRANCESCHETTI ELASTOMERI is to protect the human resources, constantly seeking the synergies necessary not only internally, but also with suppliers, companies and customers involved in the activities of FRANCESCHETTI ELASTOMERI.

To this aim, an extensive internal structure, attentive to the evolution of the reference scenarios and the consequent change in the threats, implements interventions of technical and organizational nature, by:

- the introduction of an integrated system of risk management and safety
- a continuous risk analysis and the criticality of processes and resources to be protected
- the adoption of the best technologies
- control and updating of the work methodologies
- the contribution of training and communication.

- Protection of privacy

In the processing of personal data of its staff, FRANCESCHETTI ELASTOMERI abides by the provisions of Legislative Decree 196/2003, amending the Code regarding the protection of personal data.

People are given a privacy policy that identifies: purposes and methods of treatment, eventual people to whom the data are disclosed, as well as the information necessary to the exercise of the right of access under Article 13 of Legislative Decree 196/2003. In cases where the law requires it, people are asked to consent to the processing of their personal data.

There is excluded any investigation of ideas, preferences, personal tastes and, in general, the private lives of employees and collaborators.

3.2. Duties of staff

People have to act loyally, in order to meet their obligations in the employment contract and the provisions of the code of ethics, ensuring the required performance.

- Information management

People need to know and implement the company policies, in terms of information security, to ensure the integrity, confidentiality and availability. They are required to develop their own documents using a language that is clear, objective and exhaustive, allowing any checks from colleagues, managers or external parties authorized to do so.

- Confidentiality of company information

All information not in the public domain relating to FRANCESCHETTI ELASTOMERI or its subsidiaries or affiliates or their activities, know-how or business, of which a Director or Employee has knowledge by reason of their functions or employment to be regarded as confidential, is strictly the property of those companies, and has to be used only for the performance of its working activity.

Directors and Employees will carefully avoid unnecessary disclosure of such information.

Directors and Employees shall not use or permit the use of information not in the public domain relating to FRANCESCHETTI ELASTOMERI or its subsidiaries or affiliates or relating to persons who have a relationship with them, to promote or pursue their interests or those of third parties .

It is the responsibility of the managers to treat and disseminate information by appropriate means, respecting the principles of business: people are not authorized to answer questions or to provide requested materials from both inside and outside to FRANCESCHETTI ELASTOMERI, and they will be required to consult with superiors and to comply with the instructions given in this regard.

In the event that it is necessary to discuss topics relevant to confidential or economic nature, care should be taken to examine first, if of a preferred type, any possibility affecting the value of the title, and to sign with the other party a confidentiality agreement, prepared in accordance with the company standards or, alternatively, to adopt the necessary measures in accordance with the nature of treaties.

-Confidential Information of third parties

The staff of FRANCESCHETTI ELASTOMERI must refrain from the use of illegal means in order to acquire sensitive information of companies and third parties. Those who, in the context of a contractual relationship, become aware of confidential information of other parties will be required to make only the applications described in the contract in question.

Without proper authorization, people cannot ask for, receive or use confidential information about third parties. If any confidential information is learnt on behalf of another person, who is not already subject to a non-disclosure agreement or other form of protection, the person will have to contact their Account for assistance in the handling of such information.

- Insider trading

Except in cases of necessity, related to the normal conduct of business of FRANCESCHETTI ELASTOMERI and / or third-party companies, people will refrain from obtaining data, the use of which may constitute the crime of abuse of confidential information.

People, who are aware of this kind of data, during their work, are bound not to disclose this data to third parties, unless they have a need to dispose of it for the performance of their duties.

- Conflict of interest

All people of FRANCESCHETTI ELASTOMERI are required to avoid situations in which conflicts of interest may be experienced and refrain from taking personal advantage of business opportunities, which have come to their attention during the performance of their functions. No person who has a relationship with a person of FRANCESCHETTI ELASTOMERI must be able to benefit improperly from FRANCESCHETTI ELASTOMERI, by virtue of its relationship with the person.

By way of example, a conflict of interest may result in the following situations:

- exercise one's own activity in competition with those of FRANCESCHETTI ELASTOMERI, even through family relationships
- perform a function of position (managing director, director, head of department) and have the same economic interests with suppliers, customers or competitors (share ownership, professional offices, etc.), even through family relationships
- liaise with suppliers and performing the same work, even by a family member, with the suppliers themselves
- accept money or favors from people or companies that have or intend to enter into business relationships with FRANCESCHETTI ELASTOMERI.

In the event that there manifests even the appearance of a conflict of interest, the person is required to notify his superior, who, in the manner prescribed, informs the function of FRANCESCHETTI ELASTOMERI that evaluates, case by case, of the actual presence.

The person is obliged, moreover, to give information about the activities of the outside work, in case they may appear to be in conflict of interest with FRANCESCHETTI ELASTOMERI.

- Illegal remuneration, gifts, agency expenses

The personnel of FRANCESCHETTI ELASTOMERI is forbidden to accept or receive any gift, gratuity or other gift that has a more than symbolic monetary value, from suppliers, customers or other entities with which there is an existing professional relationship.

In particular, people must not accept gifts and services that can influence the actions to be taken in the performance of their work duties. People will also use their best endeavors to provide to the commercial partners of FRANCESCHETTI ELASTOMERI their unwillingness to accept gifts or other benefits.

The above cannot be circumvented through a third party.

The people of FRANCESCHETTI ELASTOMERI, who receive gifts or benefits that are different from those which fall within the ones permitted, are required to notify the function of FRANCESCHETTI ELASTOMERI, indicated by the established procedures, who will evaluate its appropriateness, and to notify the sender the FRANCESCHETTI ELASTOMERI policy of the matter.

- Use of company assets

Each person is required to work diligently to protect corporate assets through responsible behavior and in line with the operating procedures to regulate their use, accurately documenting their use. In particular, each person must:

- use with care and prudence assets that have been entrusted
- avoid improper use of corporate assets, which could cause damage or reduce efficiency, or otherwise in contradiction to the interests of FRANCESCHETTI ELASTOMERI
- adequately safeguard the resources entrusted to them and inform the unit in charge of any threats or harmful events for FRANCESCHETTI ELASTOMERI

With regard to applications, each person is required to:

- comply scrupulously with the provisions of the corporate security policies, in order not to compromise the functionality and security of computer systems
- refrain from sending menacing or abusive e-mails, or using vulgar language, or expressing inappropriate comments that might cause offense to persons and / or damage to the corporate image
- refrain from surfing the Internet sites with indecent and offensive contents, however not related to the professional activities.

FRANCESCHETTI ELASTOMERI reserves the right to prevent the inappropriate use of its assets and infrastructures, through the use of accounting, reporting, financial control and analysis and risk prevention, subject to compliance with the current laws (Law Privacy Policy, Workers' Statute, etc.).

- Participation in antisocial and delinquent activities

FRANCESCHETTI ELASTOMERI strongly denounces processes, antisocial and delinquent activities and declares its firm intention to have no part in these phenomena.

The personnel of FRANCESCO FRANCESCHETTI ELASTOMERI is forbidden to have dealings of any kind with organizations and elements involved in antisocial and delinquent activities, which threaten society or the lives of citizens.

Faced with extortion questions, by antisocial and criminal parties, people must refuse any compromise and will refrain from payments in cash or other benefits. Instead they should notify their supervisor immediately for the necessary consultations with the managing directorship of FRANCESCO FRANCESCHETTI ELASTOMERI.

3.3. Relations with customers

- Impartiality

FRANCESCHETTI ELASTOMERI undertakes not to discriminate their customers.

- Contracts and customer communications

The contracts and customer communications of FRANCESCO FRANCESCHETTI ELASTOMERI must be:

- clear and simple, using a language as close as possible to that normally used by the interlocutors
- comply with standards, such as not to configure elusive or improper practices
- complete, so as not to overlook any relevant factor for the decision of the customer.

- Style of staff behavior towards customers

The behavior of the people of FRANCESCO FRANCESCHETTI ELASTOMERI to customers is characterized by flexibility, respect and courtesy, in a collaborative and highly professional manner.

3.4. Relations with suppliers

- Choice of supplier

Purchasing procedures are designed to obtain the maximum competitive advantages for FRANCESCO FRANCESCHETTI ELASTOMERI, granting to suppliers equal opportunities, loyalty and impartiality: the selection of suppliers and the determination of the conditions of purchase shall be based on an objective assessment of the quality and price of the product or service, as well as the guarantees of assistance and timeliness.

FRANCESCO FRANCESCHETTI ELASTOMERI undertakes to prepare all procedures and actions necessary to ensure maximum efficiency and transparency of the buying process, in order to:

- not preclude any person in possession of the necessary requirements, the opportunity to compete for a contract, adopting the choice of shortlisted objective and documented criteria
- ensure, during the procedures of the choice of a supplier, a sufficient competition, for example examining at least three companies in the selection that, wherever possible, should be made through tenders. Any exceptions must be authorized and documented
- institute a separation of roles within the different stages of the overall buying process, while also maintaining the traceability and documentation of the choices made.

FRANCESCO FRANCESCHETTI ELASTOMERI reserves the right in any case to require suppliers to document the following requirements:

- appropriate documented availability of resources, including financial, organizational structures, capabilities and resources, know-how, etc.
- existence and effective implementation, in cases where the specifications of FRANCESCO FRANCESCHETTI ELASTOMERI demand it, of adequate quality systems (for example, ISO 9000).

- Integrity and independence in relationships

Relationships with suppliers, including those that relate to financial contracts and consulting, are subject to constant monitoring by FRANCESCO FRANCESCHETTI ELASTOMERI.

The stipulation of a contract with a supplier must always be based on extremely clear business relations, avoiding, where possible, any forms of addiction. Thus, by way of example and not exhaustive:

- any contract whose estimated value results more than 50% of the turnover of the supplier must be notified to the managers of FRANCESCO FRANCESCHETTI ELASTOMERI
- normally, there should not be produced long-term projects through stipulation of short-term contracts, requiring continual renewal from which there follows a revision of prices
- as a rule, special attention is drawn to consultancy contracts, especially in cases where, as part of the same, there is not provided an adequate transfer of know-how
- it is unfair to induce a supplier to stipulate an unfavorable contract, leaving him to understand that in the future there will be stipulated a subsequent more beneficial contract.

The documents exchanged with suppliers must be properly stored: in particular, those of accounting should be retained for the periods set out by law.

- Protection of ethical aspects in supplies

With a view to align the procurement activities of the adopted ethical principles, FRANCESCHETTI ELASTOMERI is committed to introduce, for certain supplies, requirements of a social aspect: for example, the presence of an environmental management system, rather than a system of protection of workers.

To this purpose, in contracts with suppliers there are inserted contract clauses that provide for:

- self-certification by the supplier, in merit of abidance with specific social obligations: for example, the adoption of measures that guarantee workers the respect of fundamental rights, the principles of equal treatment and non-discrimination, protection of child labor
- the possibility for FRANCESCHETTI ELASTOMERI to institute control measures, at the production units or at the operational headquarters of the supplier, in order to verify the fulfillment of these requirements.

3.5. Relations with the share holders of FRANCESCHETTI ELASTOMERI

- Transparency of accounts

In order to ensure transparency and completeness of the accounts, it is necessary that the documentation of the facts to be reported in the accounts as a support of the registration is clear, complete, and correct and is stored for inspection. The relevant registration shall reflect what is described in the supporting documentation and must specify the criteria used in determining the economic elements based on evaluations.

- Protection of corporate assets

Available resources must be used in compliance with the legal requirements of the regulations and the code, to enhance and reinforce the company's assets, to protect FRANCESCHETTI ELASTOMERI itself, the capital owners, creditors and the market.

As a guarantee of the integrity of the capital it is forbidden, with the exception of cases in which the law expressly permits, to reimburse, in any form, or to release the members from the obligation to perform or distribute profits not actually earned or required by law to stock.

3.6. Relations with the Public Administrations

The term Public Administration means any person, entity, party that qualifies as a public official or civil servant, acting on behalf of the Public Administration, central or peripheral, or public regulatory authorities, independent authorities and community institutions, as well as private partners as dealers of a public service.

- Honesty and loyalty

FRANCESCHETTI ELASTOMERI intends to conduct relations with the Public Administration with the utmost transparency and ethical behavior: these reports, which must take place in accordance with local regulations, shall conform to the general principles of honesty and integrity, so as not to compromise the integrity of both parties.

The staff must refrain from any conduct which may adversely affect the impartiality and independence of judgment of the Public Administration.

When effecting operations and undertaking relations with the Public Administration, people must ensure the maximum transparency and traceability of the relevant information.

Special care must be observed in operations relating to procurement procedures, contracts, permits, licenses, applications for public funds (state or community).

In the event that FRANCESCHETTI ELASTOMERI has the need to use the professional services of employees of the Public Administration, as consultants, they must comply with the current legislation.

Whenever, under applicable law, subjects from external sources can be apparently considered as the *longa manus* of FRANCESCHETTI ELASTOMERI, it is appropriate that the principles contained in this code are extended also to the latter. FRANCESCHETTI ELASTOMERI should not, however, be represented, in relationships with the Public Administration, by an adviser or by a neutral third party when conflicts of interest may be created.

- Gifts, free samples and benefits

No person of FRANCESCHETTI ELASTOMERI can give money, or provide economic benefits or other types of benefits to subjects of the public administration, in order to obtain commissions or other benefits, either personal or for FRANCESCHETTI ELASTOMERI.

There is forbidden any form of gift that can be interpreted as exceeding normal business practices or courtesy, or aimed at obtaining favorable treatment in the conduct of any activity to FRANCESCHETTI ELASTOMERI: in particular, there is prohibited any form of gift to Italian and foreign public officials, or their relatives, which may affect their independence of judgment in order to obtain more favorable treatments or undue benefits or advantages of various kinds. Gifts refer to any type of benefit: not only goods, therefore, but also, for example, free participation in conferences, the promise of a job offer, and so on.

The above cannot be circumvented through a third party, in this respect, there are considered to be not only acts of corruption and illicit payments made directly by the institutions, or their employees, but also illicit payments made by persons acting on behalf of such entities, both in Italy and abroad.

FRANCESCHETTI ELASTOMERI refrains from taking, or to employ as consultants, former employees of the Public Administration, or their relatives, who have personally and actively participated in a business negotiation, or who have contributed to endorse requests made by FRANCESCHETTI ELASTOMERI to the Public Administration, for a period of at least two years from the conclusion of the deal, or from the date of lodging the request by FRANCESCHETTI ELASTOMERI.

In any case, FRANCESCHETTI ELASTOMERI refrains from practices not permitted by law, by commercial conditions or codes of ethics of the companies and entities with which it has relations.

The offered gifts, except those of negligible value, must be documented in order to allow verification and authorization of the head of department, who shall give prior notice to the department in charge of FRANCESCHETTI ELASTOMERI. A copy of the relevant documentation (for example, the transport document) must be kept in a separate binder.

Whenever a person of FRANCESCHETTI ELASTOMERI receives from a component of the Public Administration explicit or implicit requests for benefits, except in the case of commercial gifts of modest value, he shall immediately inform his superior or the person who is required to be reported, for the adoption of the appropriate measures.

- Initiatives that FRANCESCHETTI ELASTOMERI can assume

FRANCESCHETTI ELASTOMERI, if deemed appropriate, can support programs managed by public entities and utilities aimed to achieve benefits for the community, as well as the activities of foundations and associations, in compliance with the applicable regulations and the principles of this code.

In the event that FRANCESCHETTI ELASTOMERI desires to make cash donations, in equipment or property, there is formalized a specific procedure whose basic features are listed below:

- FRANCESCHETTI ELASTOMERI must prepare and send to the organ of the Public Administration a communication, which manifests the intention of desiring to donate a sum of money, equipment or goods
- the organ of the Public Administration, as beneficiary, must follow the regulations in force, for the accomplishment of the donation
- FRANCESCHETTI ELASTOMERI, after having taken good note of acceptance, will provide all the details of the donation, and then arrange the obligations according to the law.

3.7 Relationships with the community

- Relations with political parties, trade unions and associations

FRANCESCHETTI ELASTOMERI cannot finance political parties in Italy or abroad, their representatives or candidates, nor can it sponsor conferences or festivals whose exclusive purpose is of political propaganda.

FRANCESCHETTI ELASTOMERI strictly refrains from acceptance to any pressure, direct or indirect, by politicians: for example, it does not accept recommendations for assumptions, or entering into consulting contracts with similar objectives.

FRANCESCHETTI ELASTOMERI does not make contributions to organizations with which there may be a conflict of interest (for example, trade unions). It can, however, cooperate, also financially, with such organizations for specific projects, under the following conditions:

- clear destination and documented resources
- expressed authorization by the competent departments within FRANCESCHETTI ELASTOMERI.

- Contributions and sponsorships

FRANCESCHETTI ELASTOMERI may accede to requests for contributions only to proposals from organizations and associations of avowedly non-profit organizations, with regular statutes and constitutional documents, which are of high cultural or beneficial value or that involve a large number of citizens.

Sponsorship activities, which may relate to social issues, the environment, sports, entertainment and the arts, are intended only for events which offer a guarantee of quality or for which FRANCESCHETTI ELASTOMERI can collaborate in the project, so as to guarantee originality and effectiveness.

In the selection of proposals to be accepted, FRANCESCHETTI ELASTOMERI pays particular attention to any possible conflict of interest of a personal or business use, for example a family relationship with stakeholders or links with organizations which might, for the performed tasks, somehow favor the activity of FRANCESCHETTI ELASTOMERI.

To ensure the consistency of contributions and sponsorships, their management is regulated by a special procedure.

3.8 Propagation of information

- Disclosure

The communication of FRANCESCHETTI ELASTOMERI towards its stakeholders is based on the respect of the right to information, but in no case it is permitted to disclose false or misleading information or comments.

All communication activities comply with the laws, rules, practices and professional conduct and are made in a clear, transparent and timely manner, safeguarding among others the information affecting the price of the financial instruments (price sensitive) and trade secrets.

There is forbidden any form of pressure or acquisition of favorable attitudes on the part of the media.

All press releases are available on the website of FRANCESCHETTI ELASTOMERI, so as to allow maximum usability.

To ensure completeness and consistency of information, the FRANCESCHETTI ELASTOMERI relationships with the mass media are reserved exclusively to the proposed functions.

- Control on the price-sensitive information

There is forbidden any form of investment in the capital of FRANCESCHETTI ELASTOMERI, either direct or occurring nominees, based on confidential corporate information: in relation to this, there must be taken special precautions in the external communication of documents, data or information concerning company facts not in the public domain and likely, if made public, to significantly affect the price of financial instruments and equity securities issued by FRANCESCHETTI ELASTOMERI. The communication of such information must first be authorized by the directors, or by designated persons.

In no case, in the information management, can there be adopted behaviors that might facilitate inside trading, resulting in the depletion of company assets and causing undue advantages either personal or to others.

4. Enforcement mechanisms of the code of ethics

4.1 Propagation of communication

FRANCESCHETTI ELASTOMERI is committed to propagate the ethical code, using all means of communication and the opportunities available such as, for example, the company website: info@FRANCESCHETTIELASTOMERI.it, information meetings and staff training.

Every person must be in possession of the code of ethics, knowing the contents and observing what is prescribed.

In order to ensure the correct understanding of the code, the function staff prepares and implements, according to the instructions of the Supervisory Board, a training plan aimed at promoting awareness of the principles and ethical standards. Training initiatives are differentiated, depending on the role and responsibility of the people, for new recruits there is a special training program, which illustrates the contents of the code of ethics of which they are required to observe.

The Supervisory Board and the Management Company are available for any clarification and explanation on the code of ethics.

It's each person's responsibility, in particular the one of the management, to include the contents of the code in the training programs and refer to them all the procedures, policies and guidelines.

4.2 Supervision of the implementation of the code of ethics

The task of verifying the implementation and enforcement of the code of ethics falls on:

- executives of FRANCESCHETTI ELASTOMERI
- Board of Directors
- Supervisory Board: this organ, in addition to monitoring compliance with the code of ethics, having for this purpose access to all sources of information of FRANCESCHETTI ELASTOMERI, suggests the appropriate code updates, even on the basis of reports received by the staff.

The following tasks compete to the Supervisory Board:

- communicate to the Administrative Body, for the recruitment of necessary measures, the reports received in respect of infringements of the code of ethics
- express binding opinions on the revision of the relevant policies and procedures in order to ensure consistency with the code of ethics
- contribute to the periodic review of the code of ethics: to this purpose, the Supervisory Committee shall make appropriate proposals to the Board of Directors, which shall assess and, if appropriate, approve and formalize them.

4.3 Reporting problems or suspected violations

Anyone who becomes aware, or could reasonably be convinced of the existence of a violation of this code, of any law or company procedures, is obliged to immediately inform their manager and the Supervisory Board.

The notification must be in writing and in a non-anonymous manner: FRANCESCHETTI ELASTOMERI introduces the necessary measures, which protect the detectors from any kind of retaliation, understood as an act that could give

rise to forms of discrimination or punishment (for example, disruption of relationships with partners, suppliers, consultants, etc.; denial of promotions to employees). There is thus assured the confidentiality of the reporting party, with the exceptions as prescribed by law.

The responsibility to conduct investigations of possible violations of the code of ethics is up to the Supervisory Board, which will eventually hear the author of the report, as well as the person responsible for the alleged violation: the staff is required to cooperate fully with any internal investigations.

As a result of this activity, the Supervisory Board will report to the **Directors** those behaviors that motivate the application of disciplinary sanctions, or the activation of mechanisms to terminate the contract.

4.4 Disciplinary action resulting from violations

The provisions of this code are an integral part of the contractual obligations by the staff and of the persons having business relations with FRANCESCO FRANCESCHETTI ELASTOMERI. The violation of the principles and conduct specified in the code of ethics affects the fiduciary relationship between FRANCESCO FRANCESCHETTI ELASTOMERI and the authors of the violation, whether they be directors, employees, consultants, collaborators, customers or suppliers.

The violations will be prosecuted by FRANCESCO FRANCESCHETTI ELASTOMERI, in the following terms:

- with regard to employees, through appropriate disciplinary action, regardless of criminal behavior and the initiation of criminal proceedings in cases where the conduct constitutes offense. In particular, the penalties will be in accordance with the rules and logic of the labor contract. The disciplinary measures are: ranging from warning admonition or suspension without pay, demotion and, in more serious cases, dismissal. Before taking disciplinary action, the person is given the opportunity to explain his behavior
- with regard to consultants, employees, customers and suppliers, there will be activated specific arrangements for the termination of the contract.

Furthermore, apart from subject to any damages of which FRANCESCO FRANCESCHETTI ELASTOMERI should suffer as a result of the violation by the persons referred to above, the provisions in the code of ethics will apply.

4.5 Operational procedures and making-decision protocols

In order to prevent violations of law, as well as of the code of ethics, FRANCESCO FRANCESCHETTI ELASTOMERI provides for the adoption of specific procedures, on the part of all those involved in the operational process, for the identification of the persons responsible for making decisions, authorization and implementation operations: it is necessary that the

individual transactions are carried out at various stages by different people, whose responsibilities are clearly defined and known within the organization, in order to avoid that excessive or unlimited powers to individuals is awarded.

All actions and operations of FRANCESCO FRANCESCHETTI ELASTOMERI must be adequately recorded and it must be possible to verify the process of making decisions, authorization and conduct of operations.

For each transaction, there must be an adequate supporting documentation in order to proceed, at any time, to make controls so as to confirm the characteristics and motivations in order to identify who authorized, performed, recorded and verified the operation.

5. Final provisions

This code of ethics was approved by the Board of Directors of FRANCESCO FRANCESCHETTI ELASTOMERI on December 1, 2010.

Any amendment and / or addition of this code of ethics will be approved by the Board of Directors, after consultation with the Supervisory Authority, and promptly disseminated to recipients.