

Coges S.p.A.

CODE

OF

ETHICS



experience + innovation

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INTRODUCTION

Ethics involved in entrepreneurial activities is a facet of fundamental importance for the proper operation and credibility of an Enterprise towards its shareholders, clients and suppliers and, in more general terms, towards the entire economic context in which it operates. COGES S.p.A. (hereinafter also referred to as “COGES” or the “Company”) intends to transform the knowledge and appreciation of the ethical values that abundantly animate it into a competitive advantage.

The Board of Directors of COGES has therefore passed the resolution to adopt this Code of Ethics and conduct (hereinafter referred to as “Code of Ethics” or, simply, the “Code”). This proposes that a document be drawn up confirming and formalising the principles of correctness, loyalty, integrity and behavioural transparency, as well as the way in which relationships should operate and be conducted, both within the company and towards third parties.

“Recipients” of the Code of Ethics are those persons operating on behalf of COGES: employees, members of the Board of Directors and the Board of Auditors, as well as in-house and external associates that contribute towards attaining company goals.

These individuals are therefore committed to becoming conversant with the Code of Ethics’ content and to

contributing towards its implementation and application of the principles expressed therein.

The company also promotes its Code of Ethics for use by those with whom they entertain business relationships, compatibly with the type and content of these.

The rules contained in the Code of Ethics integrate the behaviour that the Recipients are bound to observe, in compliance with civil and penal laws in force in all Countries in which the Company operates, and with the obligations provided for by the collective labour contracts.

Recipients violating the rules of the Code of Ethics undermine the trust inherent to the relationship they have with the Company and will be liable to the penalties envisaged.

Application of the Code of Ethics is entrusted to the Supervisory Body, appointed by the Board of Directors, established in compliance with Italian Leg. Dec. 231/2001 (hereinafter referred to as the "Supervisory Body").

I. GENERAL PRINCIPLES

COGES' Code of Ethics is mainly inspired by the company's corporate values:

Courage: being able and willing to assume one's responsibilities, laying oneself open to criticism and admitting to one's errors. Being enterprising. Driving towards new solutions, towards change. Being creative.

Correctness and honesty: being loyal towards associates, superiors and the company. Always behave in a way that absolutely ensures that clients/ suppliers/ company will never be inconvenienced.

Open mindedness, respect: knowing how to listen to associates and respecting other people's ideas. Paying attention to clients and suppliers. Respecting the work of others.

Reliability: knowing how to inspire trust, being ready to help. Reputation, quality.

Flexibility, simplicity: being open to change. Understanding the market, following its evolution and demands, with simple solutions.

Sense of belonging to the group: knowing how to contribute towards team work, sharing resources. A more solid presence on the international market.

The Recipients of this Code of Ethics must comply, insofar as concerns them, to the following guiding principles:

- operate in compliance with the law and regulations in force in Italy and in all Countries in which COGES operates;
- deal honestly, correctly, impartially and without prejudice, with clients, shareholders, employed personnel, suppliers, the surrounding community and the institutions representing them and, in general, all *stakeholders*, as well as any third party with whom one has entered into a relationship for professional reasons;
- compete for a share in the market in an honest and open manner;
- protect one's own health and safety as well as that of third parties;
- contribute to the protection of the environment, monitor and, where possible, minimise the potentially noxious effects of activities on the environment;
- maintain the confidentiality of information regarding COGES, its *know-how*, employees, clients, suppliers and all *stakeholders* in general;
- avoid or preventively admit to conflicts of interest with COGES;
- make use of the intellectual and material assets belonging to COGES in compliance with the general norms and according to the use for which they were intended, in a manner that ensures their conservation and functionality.

II. BUSINESS MANAGEMENT BEHAVIOUR

All actions and operations must be carried out in observance of the delegation process which defines the decisional and signatory powers of the directors, management and COGES personnel.

All actions and operations must be adequately recorded and it must be possible for the decisional, authorisation and performance process to be verified.

Each operation must be backed by an adequate documentary support so that checks can be proceeded with at any time that will certify the operation's characteristics and motivations in order to identify who authorised, carried out, recorded and verified the operation itself.

A) RELATIONSHIPS WITH CLIENTS

Full satisfaction of the needs of its clients represents the priority for COGES, also with the purpose of creating a solid relationship and a sense of mutual trust inspired by the universal values of correctness, honesty, efficiency and professionalism. COGES is therefore continuously orientated at proposing increasingly advanced and innovative services and products, from the point of view of excellence, integration, effectiveness and efficiency.

In relationships with clientele and principals, COGES assures correctness and transparency in negotiations, as well as a faithful and diligent contractual fulfilment.

All communications, including advertising spots, are characterised by simplicity, transparency and complete-

ness, without resorting to any misleading and/or improper practice whatsoever in any case.

In conducting business with clients, the Recipients of the Code of Ethics will have to apply adequate conditions for each type of client, arranging identical treatment for those clients that find themselves in similar conditions and in any case conforming to market practices typical of the sector.

Furthermore, each associate will have to orientate his/her behaviour according to certain fundamental rules, such as: always behaving politely, willingly and courteously; providing an adequate information and support service that will guarantee quick response times; guaranteeing maximum availability; maintaining an approach always aimed at solving problems; in case of doubt, always behaving according to the general guiding principles of COGES.

B) RELATIONSHIPS WITH SUPPLIERS

Relations with COGES suppliers, including those of a financial and consulting nature, are subjected to the principles contained in this Code and constantly undergo careful monitoring by the Company itself.

COGES entrusts its business to suppliers that operate in compliance with the regulations in force and the provisions of this Code.

The selection of suppliers and the definition of purchasing conditions must be based on an objective evaluation of the quality and price of the goods and services offered and on the capability of promptly supplying and guaranteeing goods and services of a standard suited to COGES requirements. Under no circumstance will a supplier be preferred to another owing to personal relation-

ships, favouritism or advantages that differ from those that are of exclusive interest and benefit to COGES.

In particular, suppliers of machinery and equipment will also have to be selected on the basis of the compliance of the supplies with the standards governing safety and health in the work place. The supply of personal protection equipment and, in any case, of general safety and prevention devices, will conform to obligations on the subject of certification and suitability, general and specific, relevant to the use for which they were intended.

Within the framework of a correct relationship between the parties, all information obtained by Coges will be treated with the utmost confidentiality, loyalty and the principles of equidistance and impartiality.

C) RELATIONSHIPS WITH EMPLOYEES

Human resources are an indispensable factor for the existence, development and success of any company. For this reason COGES protects and promotes the value of human resources with the aim of improving and increasing the wealth of know-how of every associate within the Company's organisational context.

COGES, through the competent functions, selects, hires, remunerates and organises employees on the basis of merit and competence, in compliance with the collective labour contract in force and with the rewarding system adopted and characterised by objectivity and reasonableness.

The selection of prospective personnel is carried out on the basis of the candidate profile and their specific competence, taking company requirements into consideration and always in observance of equal opportunities for all individuals involved.

Through the application of the rewards system, COGES commits itself to setting company and personal goals that will be focused on a specific result, related to the time estimated for their attainment and of a type that will discourage employees from behaving unlawfully.

COGES offers equal opportunities to all employees on the strength of their professional qualifications and individual capabilities, without any discrimination whatsoever regarding religion, race, sex, and political or trade-union creed. COGES offers opportunities for professional growth to all without distinction, ensuring each one the benefit of fair treatment based on merit.

Furthermore, the Company is particularly attentive to needs and suggestions coming from all the associates and adopts all means by which communication based on openness and transparency could be facilitated.

The company commits itself to protecting the moral integrity of its associates, guaranteeing the right to working conditions that respect a person's dignity and that seek the right balance between their work commitments and their personal needs.

Besides being adequate from the point of view of safety and personal health, the working environment promotes reciprocal collaboration and team spirit, respecting everyone's moral personality, and is devoid of prejudice, intimidations, unlawful conditioning or unjust hardship.

COGES is totally adverse to the exploitation of children and juvenile labour.

D) RELATIONSHIPS WITH THE COMPETITION

COGES believes in the fundamental importance of operating within a competitive market, in compliance with the community principles of free and fair competition and

opposition and inclines its actions towards attaining competitive results that will reward capability, experience, innovation and efficiency.

COGES associates must behave correctly in business concerning the Company and in their relationships with the Public Administration.

Any action aimed at changing the conditions of correct competition is contrary to company's policies and is forbidden to any individual acting on its behalf.

In no circumstance will the pursuance of COGES interest justify conduct on the part of management or associates of the Company which fails to comply with the laws in force or conform to the rules of this Code.

In every external communication, information concerning COGES and its activities must be truthful, clear and verifiable. In no way must it mislead the persons addressed, nor must it cause offence to competitors.

E) RELATIONSHIPS WITH THE MASS-MEDIA

Relationships with the mass-media are characterised by respect of the right to information.

Information aimed at mass-media must be provided with precision and transparency. It is absolutely forbidden to divulge false or confidential company information.

F) RELATIONSHIPS WITH THE PUBLIC ADMINISTRATION

In its relationship with the Public Administration (hereinafter also referred to as "P.A."), COGES pays particular attention to every action, behaviour or agreement, ensuring that these are characterised by the utmost transparency, correctness and lawfulness. With this aim, COGES exercises a preventive and follow-up control on the oper-

ations of those dealing with the P.A. Furthermore, as far as possible, in relationships of an inspective and authorising nature, COGES will favour the plurality of company contacts, always on the assumption that this will avoid relationships that might prove to be less than consistent with corporate requirements.

During the course of business negotiations, requests or commercial dealings with the P.A., behaviour that will, directly or indirectly, unfairly influence the counterpart's decision will not be tolerated. In particular, employment and/or commercial opportunities that could benefit P.A.'s employees on a personal level cannot be considered or proposed, nor can confidential information that could compromise the integrity or reputation of both parties be solicited or obtained. While entertaining business relationships, contractual provisions must be complied with, unauthorised replacements should be avoided and adequate control and safeguarding mechanisms pre-set, availing oneself only of the collaboration of competent and correct persons.

Should COGES make use of a consultant to represent it or to receive technical-administrative assistance in its relationships with the P.A., these individuals and their personnel will have to observe the same directives applicable to COGES employees. Furthermore, in selecting said consultants, COGES will privilege professionalism and correctness, with the exclusion of anyone involved with the P.A. on an organisational or employment basis, even if indirectly through a third party or close family ties.

It is explicitly forbidden to allocate disbursements, contributions, financing or allowances received from Na-

tional, European Community or extra-EC Bodies for purposes other than those for which they were destined.

G) DONATIONS, GIFTS AND BENEFITS

No type of gift is allowed that could be interpreted as exceeding normal commercial or courtesy practices, or in any case aimed at gaining favourable treatment in conducting any activity whatsoever that could be linked to COGES. To this end, gifts and the presenting of goods not produced by COGES, as well as benefits singly or jointly amounting to more than € 250.00, are considered to be exceeding normal commercial or courtesy practices. Furthermore, any form of gift of any amount whatsoever to Italian and foreign public officers, or to their family members, which could influence their independence of judgement or lead to any advantage whatsoever being secured, is absolutely forbidden.

It is emphasised that this rule not only concerns promised or offered gifts, but also those already received: the definition of a gift is understood to be any type of benefit (free admittance to conventions, promise of work offer, etc.).

Gifts made to third parties not belonging to the P.A. however, without prejudice to the above-mentioned absolute ban, must be coherent with the marketing approach adopted by the company and, should they not fall under this policy, must in any case be of a moderate value, in other words they must not exceed, singly or jointly, the amount of € 250.00.

The Recipients of this Code of Ethics receiving gifts or benefits whose value cannot be considered as moderate, are bound to notify this to the Supervisory Body established in compliance with Italian Leg. Dec. 231/2001; the

Body will assess their suitability and, where necessary, will notify the sender on COGES' policy regarding the matter.

III. HEALTH, SAFETY AND ENVIRONMENT

A) HEALTH AND SAFETY

COGES guarantees the physical and moral integrity of its associates, work conditions that respect the individual's dignity and work environments that are safe and healthy, in full compliance with the regulations in force on the subject of accident prevention and worker protection in the work place.

COGES carries out its activities under technical, organisational and economic conditions that make it possible to ensure an adequate accident-prevention policy and a healthy and safe work environment.

The company commits itself to:

- avoiding risks,
- preventing risks at source,
- assessing risks that cannot be avoided,
- adapting work to man, with particular attention being paid to the planning of work stations and the selection of equipment, to work and production methods that attenuate monotonous and repetitive work and to reducing the effects of these aspects on the health of the employees,
- keeping abreast of technical evolution levels,
- replacing whatever has proved to be dangerous with an alternative that is not dangerous or is less so.

The company programs prevention by aiming at a coherent complex that would encompass technique, organisation, work conditions, social relations and the influence of work environment factors, besides giving priority to collective protection measures as opposed to those of personal protection.

COGES is committed to spreading and consolidating safety education among all its associates, developing risk awareness and encouraging responsible behaviour on the part of each of these, by means of suitable instruction as well.

The Recipients of this Code contribute to the process of risk prevention and of health and safety protection towards themselves, their colleagues and third parties, without prejudice to individual responsibilities in compliance with the provisions of the applicable laws.

Furthermore, feelings of reciprocal respect for the dignity, honour and reputation of each should be maintained, with similar respect for the organisation within the company.

There is a general ban within the framework of company activities on the use of alcohol or drugs and a ban – in compliance with the provisions of the law – on smoking in the work place and, in any case, wherever this could pose a risk for the company structures and assets or for the health and safety of colleagues and third parties.

B) PROTECTION OF THE ENVIRONMENT

The environment is a primary asset of the community and COGES wants to contribute towards safeguarding it. With this goal in mind, the Company programs its activities seeking a balance between economic initiatives and environmental needs, always ensuring compliance with

III. HEALTH, SAFETY AND ENVIRONMENT

the provisions of the law and applicable regulations, contributing the utmost cooperation with all public Authorities entrusted with the protection of the Environment.

The Recipients of this Code contribute to the process of environmental protection. Those involved in company processes pay great attention to limiting environmental impacts, reducing them according to the expectations of the COGES environmental management system. In particular, all employees dedicate the utmost attention to the correct management of waste and to the responsible use of resources (water, energy, assets, etc.), being elements that have an impact on both the environment and the community.

IV. TREATMENT OF IN-HOUSE INFORMATION

The treatment of information takes place in the full respect of confidentiality and the *privacy* of those involved.

The separation of roles and responsibilities are ensured in the treatment of information; any third party involved in the treatment of information is bound by a confidentiality agreement.

All information and other material obtained by the Recipients of this Code of Ethics in relation to their work or professional relationship are strictly confidential and remain the property of COGES. This information could concern present and future activities, information and announcements already divulged or soon to be divulged and confidential information.

Those that, in line with the exercising of a function, profession or office, have access to privileged information concerning COGES and/or the Group to which COGES belongs (as an example, information concerning changes in *management*, projects for acquisition, mergers, splitting, strategic plans, *budgets* and *business plans*), cannot use them to their own advantage and/or that of family members, acquaintances and, in general, third parties, but exclusively for the performance and within the scope of their office or profession. Furthermore, they will have to be particularly careful not to divulge privileged information and to avoid any inappropriate use of said information.

IV. TREATMENT OF IN-HOUSE INFORMATION

Information and/or any other type of news, documents or data that are not of public domain and are connected with actions and operations pertaining to each office duty or responsibility, must also not be divulged, nor used or, even less, disclosed for purposes differing from those for which they were intended, without specific authorisation.

Discretion is in any case highly recommended as regards information concerning the Company and its working or professional activities.

Any divulging of information outside the company must be done in observance of the laws and of the transparency and truthfulness of it. Particular care must be taken to avoid divulging information relative to COGES and/or the Group to which COGES belongs, that could violate the regulations applicable to companies controlled by other companies quoted in the European Union regulated markets. Information supplied to the Public Administration for the purpose of bidding in public tenders and/or at securing contributions, disbursements, concessions, authorisations, registrations and formal opinions, must be truthful, correct and transparent; they must be issued and disclosed according to company organisational procedures and the relative authorisation flows.

V. USE OF INFORMATION TECHNOLOGY RESOURCES

Data processing and communication resources are fundamental instruments for the correct and competitive operation of the enterprise. They ensure the speed, fullness and correctness of information flows necessary to the efficient management and control of company's activities.

All information stored in the Company IT and data processing systems, including electronic mail, are the property of COGES and must be used exclusively for carrying out company activities, in the manner and within the limits provided for by the Company.

In order to also guarantee compliance with the regulations governing matters of individual *privacy*, a correct use of IT and data processing tools is pursued, limited and authorised in keeping with the individual's authority and responsibilities. All uses aiming at the collection, storing and disclosing of data and information for purposes differing from those contemplated for Company activities must be avoided; the utilisation of the Company's IT and data processing tools is subject to monitoring and checking by the Company.

VI. ACCOUNTING BOOKS AND COMPANY REGISTERS

COGES accurately and completely records all Company activities and operations in order to ensure the utmost accounting clarity towards Shareholders and related external entities, and ensures that no false, misleading or deceptive entries are made. The administrative and accounting activity is carried out through advanced IT tools and procedures that optimise the efficiency, correctness, completeness and suitability to accounting principles, as well as promoting necessary checks and verifications on the legitimacy, coherency and congruity of the decisional and authorisation process, for the carrying out of COGES activities and operations.

COGES considers the correctness and transparency of the company financial statements to be principles of the utmost importance and, at all levels, ensures the utmost collaboration, providing correct and truthful information regarding company activities, assets and operations, as well as concerning all reasonable requests received from the competent Bodies.

VII. CORPORATE CONDUCT

COGES deems that company conduct should always be pursued in formal and ample respect of the provisions of the law, protecting the freedom of collective decisions, maintaining a transparent and dependable conduct in its business relationships, pursuing the integrity of its corporate property and fully collaborating with the Authorities.

VIII. CONFLICTS OF INTEREST

The Code of Ethics recipients must avoid all situations and activities in which a conflict of interest might arise, even where only potential, between personal economic activities and the office they hold within the relevant personnel structure. The Supervisory Body must in any case be notified of situations in which it is felt that even an only hypothetical conflict of interest might arise.

Furthermore, it is forbidden to pursue personal interests to the detriment of those of the Company, nor is it permissible for unauthorised personal use to be made of company assets; direct or indirect interests cannot be held in companies that are competitors, clients, suppliers or entrusted with the auditing of the company, unless timely notification is made to the Supervisory Body and prior express authorisation is obtained from the Administrative Body.

IX. ACTUATION AND CONTROL

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In compliance with the regulations in force and with a view to planning and managing company activities aimed at efficiency, correctness, transparency and quality, COGES adopts organisational and management measures designed to prevent behaviour that could be unlawful or in any case contrary to the rules of this Code on the part of any individual acting on behalf of COGES.

With regard to the definition of the activities and the organisational complexity, COGES adopts a system for delegating powers and functions, envisaging in explicit and specific terms the entrusting of offices to suitably capable and competent persons.

Where the warranty of authority's extension is concerned, COGES adopts and implements organisational and management models that contemplate measures designed to guarantee that activities are carried out in compliance with the law and the behavioural rules of this Code and to promptly detect and prevent risky situations.

The application of the Code of Ethics is entrusted to COGES, which avails itself of the Supervisory Body, established *ad hoc* in compliance with Italian Leg. Dec. 231/2001.



In compliance with Italian Leg. Dec. 231/2001, the Supervisory Body is entrusted with the duties of:

- a. supervising the observance of the Code and its circulating among all Recipients;
- b. verifying all reports regarding Code violations and informing the competent Company's bodies and functions as regards the outcome of verifications so that penalties can be adopted;
- c. proposing modifications to the Code in order to adapt it to the evolving context within which COGES operates and to the requirements deriving from the development of COGES itself.

This Code of Ethics is widely circulated among all Recipients, using the company intranet system as well.

X. REPORTING ON VIOLATIONS OF COMPANY REGULATIONS AND UNETHICAL BEHAVIOUR

Violations of this Code of Ethics can be confidentially reported directly to the Supervisory Body in compliance with Italian Leg. Dec. 231/2001.

The procedures for reporting and verifying violations, also in the interests of truth, are based on confidentiality and the protection of privacy in order to prevent retaliations of any type whatsoever towards the person making the report, but also with a view to guaranteeing confirmation of the actual facts.

XI. PENALTIES

Violating the provisions of this Code of Ethics will constitute a disciplinary offence or non-fulfilment of contractual obligation in the subordinate employment, functional or professional collaboration work relationship, with all consequent legal or contractual effects, also in compliance with articles 2104 and 2105 of the Italian civil code. This also entitles the Company to apply the disciplinary penalties provided for by the CCNL Labour Contract and by the Disciplinary Code.

XII. FINAL PROVISIONS

This Code of Ethics comes into immediate effect and will remain in force until revised.

COGES S.P.A. Board of Directors.

José Miguel Zugaldia Ainaga
(Chairman of the Board of Directors)

Francisco Javier Vera Urdaci
(Vice-Chairman of the Board of Directors)

Marco Adriani
(Managing Director)



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