

MF GROUP S.p.A.
CODE OF ETHICS
ex Legislative Decree 231/2001

1 INTRODUCTION

MF GROUP S.p.A. and its subsidiaries (hereinafter “the Company or the Group”), carries out its internal and external business in compliance with the principles set out in this code of ethics (hereinafter “the Code”), which represents a base element of the Organisation Model (hereinafter “the Model”) and the overall internal control system of MF GROUP S.p.A., in the belief that ethics are a contributing factor to the success of the company.

The parties required to conform with the Code – within the limits of their respective roles, functions and responsibilities – comprise the company officers, management, employees of MF GROUP S.p.A., external collaborators, independent professionals, consultants, business partners and all those parties that operate under its responsibility (hereinafter “the Recipients”)

The principles and rules of conduct of the Code improve the decision making processes, professional training and guide the behaviour of MF GROUP S.p.A..

2 OBJECTIVES AND VALUES

The primary objective of MF GROUP S.p.A. is to create value while complying with the principles established by the Code. For this purpose the industrial and financial strategies and the resulting operating conduct are aimed at achieving efficiency and integrity in the use of resources.

MF GROUP S.p.A. undertakes to respect and ensure that within the Company, current legislation, in Italy and the countries in which it carries out its business, and ethics recognised on an international level: transparency, correctness and loyalty, are adhered to in the normal course of business.

MF GROUP S.p.A. condemns the use of illegal or inappropriate conduct (towards the community, public authorities, customers, employees, investors, suppliers and competitors) to achieve its financial objectives, which are accomplished exclusively through excellence in terms of; quality and economic advantage of products and services, based on experience, customer care and innovation.

MF GROUP S.p.A. guarantees to the market, institutions and the community in general, while safeguarding the competitiveness of its business, complete transparency in carrying out its activities.

MF GROUP S.p.A. aims to achieve excellence and market competitiveness, offering its customers quality products and services that respond effectively to their needs.

MF GROUP S.p.A. safeguards and values the human resources that it employs.

MF GROUP S.p.A. uses its resources in a responsible manner, its target being sustainable growth, while safeguarding the environment and the rights of future generations.

2.1 The value of Lawfulness

MF GROUP S.p.A., in the course of its business, acts in full compliance with all existing legislation, directives and company procedures and the provisions of the Code.

2.2 The value of Transparency and Completeness of Information

The relationships that MF GROUP S.p.A. enters into are founded on standards of transparency and completeness of information. The Recipients of the Code are required to provide complete, correct, transparent, comprehensible and accurate information, so that, in defining relationships with the Company, any third parties are in a position to make independent decisions and are aware of the interests involved, the alternatives and the related consequences. In defining contractual relationships, MF GROUP S.p.A. takes care to inform the contracting party, clearly and unequivocally, of the conduct to apply in all foreseeable circumstances.

2.3 The value of Quality and Excellence

MF GROUP S.p.A. undertakes its business, using its Quality Management System, with the aim of satisfying and safeguarding its customers. It is open to suggestions to improve the quality of its products and services and for this purpose the research, development and commercial activities of MF GROUP S.p.A. concentrate on achieving high standards of product and service quality.

2.4 The value of Human Resources and respect for the Individual

MF GROUP S.p.A. values its human resources, which are essential to carrying out the Company business, and for this purpose MF GROUP S.p.A. sustains the value of human resources in order to improve and increase the Company value and the competitiveness of the skills acquired.

MF GROUP S.p.A. respects the physical, moral and cultural integrity of the individual and his interpersonal relationships. The Group also guarantees working conditions that respect personal dignity and a safe working environment.

MF GROUP S.p.A. upholds and respects human rights in conformance with the Worldwide Human Rights Declaration issued by the UNO.

2.5 The value of Reputation

A good reputation is an essential intangible resource that favours investments, customer loyalty, attracts better human resources, supplier's trust, reliability for creditors, and effective Third Party Relations, in any segment in which the Company operates. It allows decisions to be made and acted upon without conflict between the Recipients and work to be organised without bureaucratic controls and excessive exercise of authority.

The Code is one of the tools designed to maintain the good reputation of MF GROUP S.p.A. and observance of the Code is one of the essential methods of comparison used to judge the reputation of the Company itself and the Group.

2.6 The value of Reciprocity

This Code is based on the ideal of cooperation aimed at obtaining a mutual advantage for the parties involved, with respect for their individual roles. Consequently, MF GROUP S.p.A. requires that each of the Recipients and Third Parties acts in accordance with principles and rules that aspire to a similar ideal of ethical conduct.

3 RULES OF CONDUCT

3.1. Handling of Information

Any information relating to the Company's business, the Recipients and Third Parties must be treated as confidential and respect the privacy of the persons involved, applying the level of protection prescribed by related laws, and in this respect specific policies and procedures on data protection are applied and constantly updated; in particular MF GROUP S.p.A.:

- defines a structure for handling of information that ensures the appropriate segregation of roles and responsibilities;
- classifies information by increasing level of importance and adopts appropriate countermeasures for each stage of handling;
- requires third parties that handle information to sign confidentiality agreements.

3.2. Presents, Gifts and Benefits

No form of presents, gifts or benefits may be bestowed that could be interpreted as being outside standard commercial or polite practice, or that are aimed at obtaining favourable treatment in carrying out any activities that may be linked to MF GROUP S.p.A.. In particular, all forms of presents, gifts or benefits to Italian or overseas public officials or their families, that could influence the impartiality of judgement or ensure any advantage, are forbidden.

MF GROUP S.p.A. abstains from acts that are not allowed under law, commercial practice or codes of ethics – where known – of companies or other entities with which the company enters into relations.

The presents offered – except for those that are immaterial in value – must be documented in order to allow control and authorisation by the manager responsible, who will communicate the matter to the Supervisory Body.

Those Recipients who receive gifts or benefits that are not related to their role, must communicate this to the Supervisory Body, which will evaluate the appropriateness.

3.3. External Communications

The Company's external communications are governed with respect to the right to obtain information and under no circumstances may false or biased information or comments be divulged; all communication activities must conform to laws, rules of professional conduct and are made clearly, transparently and on a timely basis, safeguarding, among other things, price sensitive information and industrial secrets. Any form of pressure or favourable treatment by the media is avoided.

4. RULES OF CONDUCT RELATING TO COLLABORATORS

4.1 Employee selection process

The evaluation of prospective employees is made based on matching of candidate profiles and company requirements, applying the equal opportunities principle in respect of all applicants; the information requested is strictly connected to verifying the aspects foreseen by the professional profile, and respects the privacy and opinions of the candidate. Human Resources management, using the information available, adopts appropriate measures in order to avoid favouritism, nepotism or forms of customer partiality in the selection and employment stages.

4.2 Terms of employment

Employees are hired under standard employment contracts and no form of illegal employment is tolerated. Once an employee has been hired they receive clear and precise information regarding:

- role description and the tasks involved;
- matters relating to regulatory and remunerative aspects, as governed by the related national employment contracts;
- rules and procedures to adopt in order to avoid health risks associated with the job;
- an extract from the Code of Ethics of MF GROUP S.p.A..

4.3 Human Resources Management

With regard to human resources management, the following principles are applied:

a) MF GROUP S.p.A. does not conduct any form of discrimination against its employees and within the personnel management and development processes, as in the selection stage, the decisions taken are based on matching standard profiles with the qualities possessed by the collaborators and/or substantive considerations;

b) the suitability for roles and positions is also established taking into consideration skills and abilities;

c) the assessment of employees is carried out involving a wide range of managers, Human Resources management and where possible those individuals who have worked with the employee being reviewed;

d) within the limits of information available and the protection of privacy, Human Resources management will avoid any form of nepotism;

e) managers use and optimise all of the professional skills present in the company through implementation of available incentives to favour the development and growth of employees and in this regard, communication of employee strengths and weaknesses by management is particularly important as this supports skills improvement also through a specific development program;

f) MF GROUP S.p.A. places at the disposal of all collaborators informative and formative tools, with the aim of improving their specific skills set;

h) each manager is required to optimise the work time of the employees, demanding efforts that are consistent with their role and the employment organisation plans;

i) the request, by a superior, to provide services, personal favours or any other conduct that is a violation of the Code, represents an abuse of authority;

l) employee involvement is ensured through participation in discussions and decision making related to achieving company objectives and each employee should demonstrate a spirit of collaboration and independence of judgement during these sessions;

4.4 Health and Safety

MF GROUP S.p.A. undertakes to respect current health and safety regulations in the workplace and in order to meet this objective, it undertakes to disseminate and instil a safety culture increasing the awareness of risks, thus promoting responsible conduct by all collaborators; in addition, MF GROUP S.p.A. works to preserve, applying preventative measures, the health and safety of its employees.

For this purpose, the internal structure, which is informed of developments in this area changes in the risks involved, intervenes technically and organisationally, through:

- introduction of a risk and safety management system;
- continuous analysis of the risks and critical processes and the resources that require protection;
- adoption of the best technology possible;
- control and update of work methods;
- training and communication sessions.

4.5 Data Protection

The privacy of employees is safeguarded through the adoption of standards that specify the information that MF GROUP S.p.A. requests from the Recipients and the related methods of

handling and storage, excluding any surveys on the ideas, preferences, personal tastes and private life of the collaborators. These standards prohibit, except where prescribed by law, the communication/disclosure of personal information without prior consent of the individual and establish the rules whereby each collaborator may control the data protection rules; in the case of handling of sensitive information, in accordance with Italian Legislative Decree 196/2003, MF GROUP S.p.A. has adopted all of the necessary precautions and legal obligations.

4.6 Integrity and Safeguarding the Individual

MF GROUP S.p.A. undertakes to safeguard the moral integrity of its collaborators guaranteeing the right to working conditions that respect the individual's dignity and for this reason it protects its employees from acts of psychological violence and condemns any attitude or behaviour that is discriminatory or offensive, to his/her ideas or preferences. Sexual harassment is not tolerated and any behaviour or conversations that may be considered insensitive should be avoided.

The collaborators of MF GROUP S.p.A. who believe to have been the victim of harassment or to have been discriminated in relation to their age, sex, race, state of health, nationality, political opinion or religious beliefs, may report the event to their direct in-charge, who will refer the matter to the Supervisory Body in order to evaluate the possible violation of the Code. Inequalities, not covered by the above categories, are not considered discriminative where justified or justifiable based on objective criteria.

4.7 Duties of Collaborators

The conduct of company officers, management and collaborators of MF GROUP S.p.A., while carrying out their work and related relationships, must conform to legal provisions, the Code and company procedures.

Without prejudice to compliance with the general regulations defined in the Code, the duties of the employees of the Company conform to the following principles:

a) the collaborator must act loyally in order to respect the terms of the employment contract and the provisions of the Code, ensuring performance of the services requested;

b) the collaborator must *be aware of* and *act upon* the Company policies in relation to safety, information that guarantees integrity, privacy and availability and is required to prepare his/her documentation using *clear, objective* and *exhaustive* language, which allows controls to be carried out colleagues, managers or third parties authorised to do so;

c) the collaborators of MF GROUP S.p.A. are required to avoid situations that could give rise to *conflicts of interest* and may not put to personal use business opportunities that arise while carrying out their work for the company; for example, conflicts may arise in the following, among other, situations:

√ holding a management role and having financial interests with suppliers, customers or competitors, even through family members,

√ being responsible for supplier relations and working for, either personally or a family member, suppliers,

√ accepting money or favours from individuals or companies that have or intend to commence a business relationship with MF GROUP S.p.A.;

d) in the event in which it only appears that a conflict of interest exists, the collaborator must *communicate* this to his supervisor, who will in turn inform the Supervisory Body, who will evaluate if the case constitutes a conflict of interest;

e) each collaborator is required to act *diligently* to safeguard the company assets, through responsible behaviour that is in line with the operating procedures that govern their use, documenting accurately their utilisation. In particular, each collaborator must:

√ use the assets entrusted to them *conscientiously* and *economically*, paying particular attention to the management of financial resources of MF GROUP S.p.A.;

√ avoid the *improper use of company assets* that could cause damages or compromise efficiency, or is in conflict with company interests;

f) each collaborator *is responsible for safeguarding the assets entrusted to them* and is required to inform the relevant officers in charge immediately of any risks or events that may harm the Company;

g) MF GROUP S.p.A. reserves the right to prevent incorrect use of its asset and infrastructure through use of the accounting systems, financial reporting and the analysis and prevention of risks, while complying with the provisions of current legislation;

h) with regard to information technology applications, each collaborator is required to:

√ rigorously adopt the terms of the *company safety policies*, in such a way as not to compromise the operation and protection of the information systems;

√ use the Company *information systems* in order to improve their technical knowledge;

√ avoid use of Company *information systems* to access web sites of a *dubious nature*, or use these systems to give out personal, confidential or any other information relating to MF GROUP S.p.A.

5 RULES OF CONDUCT GOVERNING CUSTOMER RELATIONS

5.1 Impartiality and Correctness in Customer Relations

MF GROUP S.p.A. undertakes not to discriminate its customers arbitrarily. Customer negotiations take place in conformance with the principle of contractual good faith, the proper execution of the mutual obligations and the timely communication of any changes in the general contractual terms stipulated by MF GROUP S.p.A., this comprises, without limitation, any financial or technical amendments, for any reason, to the service provided; evasive or incorrect practices should be avoided under all circumstances.

5.2 Communications with Customers

Communications with customers of MF GROUP S.p.A., including advertisements and information on the company web site, are:

- √ clear and simple, featuring language normally used with third parties;
- √ conform to current legislation, and do not involve evasive or incorrect practices;
- √ complete, and do not omit any matter that may be relevant to customer decision making;
- √ true and not misleading with regard to content and in relation to the communication tool used.

5.3 Line of Conduct of Collaborators

The line of conduct of MF GROUP S.p.A. and its employees towards customers is based on availability, respect and courtesy, in order to create a highly professional, collaborative relationship.

5.4 Customer Involvement

MF GROUP S.p.A. is committed to always take into consideration suggestions and complaints put forward by customers and the related trade associations, making use of adequate and timely methods of communication and it is the responsibility of the Company to confirm receipt of the customer request and estimate the time required to provide a reply, which should however be as brief as possible. In order to guarantee respect of these standards of conduct, a system to control the procedures that govern customer relations is in place.

5.5 Management of Credit Positions

MF GROUP S.p.A. undertakes not to abuse the credit positions of its customers to its own advantage or any other use.

With regard to credit recovery, the Company acts according to objective and documented criteria applying the following principles:

- √ implementation of recovery procedures commencing with the oldest credit balances;
- √ informing the debtor of the position and the amount owed.

Where compatible with the interests of the company, the amicable settlement of any disputes is favoured.

6 RULES OF CONDUCT FOR SUPPLIER RELATIONS

6.1 Choice of Supplier

With respect to application of the general rules defined in the Code, the purchasing cycle is structured based on the following criteria:

a) search for the best competitive advantage for MF GROUP S.p.A., granting to each supplier equal opportunities, loyalty and impartiality;

b) in particular, the collaborators employed in this cycle are required not to exclude any party, that meets the requirements, from the possibility to compete for a contract, adopting objective and documented criteria to choose the group of candidates, and ensure a sufficient number of competitors;

c) the related requisites are:

√ the availability, appropriately documented, of means, including financial, organisation structure, planning skills and resources, and know-how;

√ the existence and implementation of, for those cases in which MF GROUP S.p.A. specifically requests so, adequate company Quality Systems;

d) MF GROUP S.p.A. reserves the right, without prejudice to other potential suppliers, to establish privileged relationships with all parties who adopt ethical commitments and responsibilities similar to those defined by MF GROUP S.p.A. in the Code.

6.2 Integrity and independence in Supplier Relationships

MF GROUP S.p.A. undertakes not to discriminate arbitrarily its suppliers. Supplier negotiations take place in conformance with the principle of contractual good faith, the proper execution of the mutual obligations and the timely communication of any changes in the general contractual terms stipulated by MF GROUP S.p.A., this comprises, without limitation, any financial or technical amendments, for any reason, to services provided; evasive or incorrect practices should be avoided under all circumstances.

Supplier relationships are constantly monitored by the Company and the related officers in-charge and the stipulation of supplier contracts must always be based on transparent relations, avoiding where possible dependency on one supplier.

7 RULES OF CONDUCT GOVERNING RELATIONS WITH THE COMMUNITY

7.1 Financial relations with political parties, trade unions and associations

MF GROUP S.p.A. *does not finance political parties or associations*, either in Italy or overseas, their representatives or candidates, nor does it sponsor conferences or events that are exclusively political in nature. It abstains from any direct or indirect pressure on political

representatives. The Company does not contribute to organisations with which conflicts of interest could arise.

It is however possible to cooperate, even financially, with these organisations in relation to specific projects based on the following criteria:

- √ the purpose of the project is related to the business of MF GROUP S.p.A.;
- √ the destination of funds is clear and may be documented;
- √ authorisation is received from the relevant Company department responsible for managing these relationships within the Company.

7.2 Contributions and Sponsorships

MF GROUP S.p.A. may support requests for contributions only where they relate to proposals made by registered non-profit entities or associations, which operate in accordance with articles of association and whose purpose is either highly cultural or charitable in nature.

Sponsorship activities that relate to social, environmental, sporting, entertainment, or artistic events, are only provided to those that guarantee quality.

In all cases, in choosing which events to support, MF GROUP S.p.A. pays particular attention to any potential conflicts of interest that are either personal or company related.

7.3 Institutional Relationships

All relationships with *Institutions*, even International, relate exclusively to means of communication aimed at evaluating the implications for MF GROUP S.p.A. of legal and administrative activities, replying to informal requests and inspections by competent authorities, or to make known the position of the Company in relation to significant matters. For this purpose, MF GROUP S.p.A. undertakes to:

- √ establish, without any form of discrimination, solid channels of communication with all institutional representatives at international, EC, and local level;
- √ represent the interests and positions of companies in the Group, strictly and consistently, avoiding collusive practice.

In order to guarantee maximum transparency in relationships, contacts with institutional representatives take place exclusively through referred individuals who have received specific instruction from top management of MF GROUP S.p.A..

8 COMPLIANCE WITH THE CODE

8.1 Supervisory Body (“SB”)

A *Supervisory Body* was set up following approval of the Organisation Model prepared in accordance with Legislative Decree 231/2001, the Code being an integral part of the Model. The

SB constitutes an internal body of the Company and is responsible for, overseeing and ensuring implementation of the Model and its update.

8.2 Role of the SB

With regard to the specific functions assigned to the body, a list of tasks and assignments are set out below:

- √ periodic checks between actual behaviour and that defined in the approved Model, verifying its adequacy, represented by its effective ability to prevent behaviour that conflicts with the issued provisions and commitments;
- √ update and adaptation of the Model and the Code to reflect regulations applicable to the Company's activities arising from legislative developments;
- √ adoption of disciplinary proceedings in relation to departure from the Model and the Code;
- √ expression of *binding opinions* for MF GROUP S.p.A. in relation to changes in company procedures and policies aimed at guaranteeing consistency with the Model and the Code;

8.3 Communication and Training

All of the Recipients must be made aware of the provisions of the Code and the SB is obliged to ensure that this is as widespread as possible, involving individuals both internal and external to the Company.

In order to favour the correct interpretation of the Code, the SB manages an information plan aimed at ensuring awareness of the objectives and values of the Code that is part of the Organisation Model under Legislative Decree 231/2001.

8.4 Communicating with the SB

The SB is the body assigned to receive notice of any breach of the Model and the Code. All Recipients must communicate any situations, facts or acts that take place, within any areas of the Company's activities, which represent a potential breach of the provisions of the Model or the Code, directly to the SB and are not required to pass through hierarchy beforehand.

8.5 Breach of the Code

The SB verifies breach of the Model and Code and communicates, together with sufficient information provided in a specific report, its finding to Human Resources management and General management, so that appropriate measures may be adopted or penalties applied.



9 MONITORING AND UPDATE OF THE CODE

The Code is reviewed on an annual basis and updated by the board of directors of MF GROUP S.p.A., following instruction by the SB and consultation with the board of statutory auditors, which may submit proposals to the board.

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