



CODE OF ETHICS

MANIFATTURA TUBI GOMMA S.p.A.

Approved on 28/04/2016 by resolution of the Company's Board of Directors

MANIFATTURA TUBI GOMMA S.p.A.

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1.0 INTRODUCTION

BUSINESS RELATIONS BASED ON ETHICS

The Code of Ethics is the basic charter of moral rights and duties defining the ethical and social responsibility of each member of the MTG S.p.A. company organization.

It is an efficient way for preventing misconducts or unlawful actions by persons who operate in the name and on behalf of the Company, as it clearly defines the responsibilities of each business operator towards the persons who are directly or indirectly involved in the activities of the Company.

The recipients of the Code of Ethics are invited to strictly and fully comply with the values and principles stated therein, and are obliged to protect and preserve, through their behaviour, the reputation and image of MTG S.p.A., as well as the integrity of its economic, social and human assets.

By means of the Code of Ethics, MTG S.p.A. especially intends:

(a) to formalize the commitment to act in accordance with the ethical principles of moral legitimacy, fairness and equality, protection of the individual, diligence, transparency, honesty, confidentiality, impartiality, protection of health and environment;

(b) to define and clarify values and general ethical principles forming its corporate activities and relationship with customers, suppliers, shareholders, employees, agents, administrators, public institutions and any other person involved in the activity of the Company;

(c) to inform its employees, agents, consultants and administrators about the principles of behaviour, values and responsibilities to be strictly observed during their work and professional activities;

(d) to indicate, in the Model 231, the tools and methods for implementation.

Considering the a.m. issues, the Company undertakes:

- to ensure a regular update of the Code of Ethics. All updates and changes will immediately be made available to all recipients;
- to disclose the provisions of the Code of Ethics, in order that all those who have relations with the Company know the company standards and understand their contents and purpose.
- to provide adequate training and information, ensuring help in case of doubts concerning the interpretation of the Code of Ethics;
- to ensure that employees who report violations of the Code of Ethics shall not be subject to any form of retaliation;
- to adopt fair penalty measures proportionate to the breach of the Code of Ethics and to ensure an equal application to all kinds of employees, with reference to the legal provisions, the contract and the current internal regulations;
- to perform regular audits in order to check the compliance with the Code of Ethics.

A. The Company values supposed to be the most important principles inspiring the actions and decisions inside and outside the Company, may be summarized as follows:

1.1 ETHICS

- Honesty and safety: work in full compliance with the law and the interest of the Company.
- Loyalty: pursue the common goals with steadiness and common efforts, express your opinion, even if it is different, but comply with the choices and decisions made by the Company.
- Respect persons and environment: give and claim attention and respect towards the human health and dignity inside the environment.

1.2 EFFICIENCY

- Cost awareness: pursue the results optimizing the efforts, including the use of advanced tools and methods.
- Speed and timing: punctually and promptly reply to the customers' questions, satisfying their needs and expectations.
- Planning: systematically use tools that allow a correct and structured scheduling, coordination and control.

1.3 EFFECTIVENESS

- Concentrate on the result: work with willpower and determination, for the Company's success and in order to reach the targets.
- Comparison and competition: compare yourself with others, inside and outside the Company, competing with the best performances, to achieve better results.
- Consistency of organization: act in accordance with the structure, understanding the tasks assigned, without any interference and overlapping of responsibilities.

1.4 RELATIONS

- Transparency: All information should be clear, complete and correct, in order to facilitate a proper understanding.
- Work together: Be aware that the success of the Company is based on common work, exchange of different skills and contribution of everybody.
- Appreciation: Encourage the development of the individual and recognize the skills and results according to objective criteria.

2.0 DUTIES AND RESPONSIBILITIES

2.1 CONFLICT OF INTEREST.

All business decisions and choices taken on behalf of the Company must match the Company's interest.

Therefore, everybody should:

- avoid situations where conflicts of interest may arise, with special reference to interests concerning the person or the family that may affect an independent judgment when deciding what is the best interest of the Company and the most appropriate way to reach it. Therefore, transparency, trust and integrity are values that shall be respected anyway.
- refrain from taking personal advantage, through family members, colleagues or third parties, concerning business opportunities related to the performance of your job or to the activity carried out on behalf of the Company.

If there are or may arise potentially risky situations, the employee or the agent must notify his/her boss or contact person inside the Company, in order to resolve the matter.

Also employees and agents should duly inform third parties of the contents of the Code of Ethics in order to ensure that it is met.

3.0 COMPANY INFORMATION: USE AND PROTECTION

The confidentiality of information is an asset that the Company protects through its employees and agents: all information received by an employee or agent in relation to his/her work is owned by the Company.

The data concerning individuals will be processed in accordance with the current regulations.

Employees and agents who come to know some information which is not public, must use utmost caution and care in using such information and avoid disclosure to unauthorized persons, both inside and outside the Company, including close family members.

Confidential information means, but is not limited to: technical information concerning products and processes; purchasing programs, cost, pricing, marketing or service strategies; reports on money received and other non-public financial reports; information concerning sales, mergers and acquisitions.

Computer processing of information is subject to security controls necessary to protect the Company from undue intrusion or abuse.

The distribution of material or electronic information should comply with the relevant regulations and shall be in accordance with the law. The Company undertakes to protect all information concerning its employees or third parties, in accordance with the "privacy" legislation.

4.0 RECORDS, ACCOUNTING ENTRIES AND ILLEGAL ACTS IN CORPORATE MATTERS

All shares and business operations should be properly recorded, and it shall be possible to check the process of decision, authorization and implementation.

Each operation should have a relevant supporting documentation in order to be able at any time to check the features and the reasons for this operation and to identify the persons who authorized, performed, recorded and checked the operation.

Accounting entries shall be kept in a thorough, complete and timely way, in accordance with the accounts regulations of the Company, in order to perform a faithful representation of assets, financial situation and management activity.

Therefore everybody should cooperate, ensuring that the information provided, the data and calculations are complete, clear and correct.

"Accounting entries" means all documents containing numerical representations of accounts operations including internal reimbursement notes of expenses.

The financial statements and the corporate notifications required by law shall be clearly issued and should correctly and truthfully illustrate the assets and financial situation of the Company.

Declarations, notifications and filing in the Company Register, which are mandatory for the Company, should be made by the persons responsible and shall be well-timed, truthful and in compliance with the current regulations.

It is strictly forbidden to prevent or to hinder, by concealing documents or other suitable means, the performance of inspection or auditing operations which are legally entrusted to the shareholders or to other corporate bodies or auditors.

Also the Company strictly prohibits any behaviour likely to spread false information or to put in place sham transactions or any other means actually suitable to give a wrong idea of the Company and its financial situation.

It is not allowed, in any form, to knowingly obstruct the functions of the public supervisory authorities.

Also it is forbidden, even through disguised actions, to return contributions made by the shareholders or to release them from their obligation, except in case of lawful reduction of the share capital.

It is forbidden to distribute profits or down payments on profits not actually realized or allocated to reserves, or to distribute essential reserves.

It is forbidden to reduce the share capital and to perform mergers or demergers violating the law and the protection of creditors.

It is forbidden to form or to notionally increase the equity capital of the Company, even through a significant overestimation of benefits in kind or receivables, or in the event of transformation.

It is forbidden to perform any kind of operation that may cause damage to creditors.

It is indeed forbidden to perform illegal operations involving the shares or social quotes of the Company or the subsidiary and to perform operations against the creditors.

5.0 RELATIONS WITH PUBLIC ADMINISTRATION, POLITICAL AND LABOUR ORGANIZATIONS

The relations with public institutions will be managed only by the staff authorized to do so.

In particular, all relations involving the Company staff with the Public Administration shall be defined by the principles of diligence, transparency and honesty.

The employees shall behave with utmost correctness and integrity when dealing with employees and representatives of public bodies, political or labour institutions.

Representation expenses and gifts for public employees and officials should always be of low value and should comply with the general company regulations concerning expenses, as well as the laws and regulations of the public bodies involved.

It is not allowed anyway to offer money or gifts to managers, officers or employees of the Public Administration or their family members, whether Italian or from other countries, except in case of a small gift or item of low value.

It is forbidden to offer or accept any valuable objects, services, benefits or favours in order to obtain a more positive treatment in relation to any dealings with the Public Administration, even in case of pressure.

It is forbidden to influence, in whatever way, the official of a computer or electronic system of the Public Administration and/or to enter, without any right and using whatever method, into data/information or software contained in the computer or electronic system of the Public Administration, providing an unfair profit to the Company and damaging the State.

It is not allowed to submit false statements to national or European public bodies in order to obtain public funds, grants or subsidized loans, or to obtain concessions, authorizations, licenses or any other administrative acts.

It is forbidden to use amounts received from national or European public bodies for grants, contributions or loans, for purposes different from those for which these amounts were assigned.

In the specific case of a tender with the Public Administration, everybody will have to operate in accordance with the law and with the proper business practice. It is strictly forbidden to act with a behaviour leading to criminal acts, in order to achieve a benefit or to pursue an interest of the Company.

Also it is forbidden to apply abnormal or inappropriate discounts, or discounts which are not in accordance with the normal business practice and the Company's internal regulations, to public entities or persons appointed by or linked to them.

If the Company uses a consultant or a third party in order to be represented for its relations with the Public Administration, this person shall be subject to the same guidelines issued for the employees of the Company.

The Company will not use a third party for its relations with the Public Administration in case this may create conflicts of interest.

The regulations implementing the contents of the International Convention in individual national laws as well as the Regulations of the European Community and other standards to be immediately applied in Italy, shall be strictly observed.

6.0 RELATIONS WITH SUPPLIERS

The "*supplier system*" plays an essential role in improving the overall structural competitiveness of the Company.

Therefore, the choice of suppliers and the purchase of goods and services are carried out by the specific persons in charge, based on appropriate and objective assessments and taking into account not only competitiveness, innovation, quality, cost-effectiveness, costs and services offered, but also the values stated in the Code of Ethics.

As far as the relations with suppliers are concerned, the employees should act with utmost correctness and integrity and they should conform to the principles of diligence, transparency and honesty.

The Company believes that an essential principle is the protection of child labour and workers' rights as well as safety of environment and workplace.

Representation expenses and gifts to suppliers should be of low value and shall comply with the general regulations and practices of the Company.

It is not allowed to accept, personally or through third parties, money or valuable articles, services, performances, favours or gifts, except in case of gifts or items of low value, from managers, officers or employees of suppliers or potential suppliers.

7.0 RELATIONS WITH CUSTOMERS

The Company aims at fully meeting the expectations of the end customer and considers it essential that its customers should always be treated fairly and honestly. Therefore, the Company requires from its employees and the other recipients of the Code of Ethics, that every relation and contact with customers shall be characterized by honesty, professional correctness and transparency.

All employees shall comply with the internal regulations which are known, consolidated for practice and aim at achieving this goal by developing and maintaining profitable and ongoing relations with customers, providing service, quality and value.

8.0 HUMAN RESOURCE MANAGEMENT

The basic principles of human resource management are the following:

- To provide equal employment opportunities without any discrimination concerning race, gender, age, sexual orientation, physical or mental disability, nationality, religion, political and trade union membership;
- To ensure a fair and meritocratic treatment;
- To promote and consolidate a culture of health and safety of the working environment and to act for preserving, mainly through preventive actions, the health and safety of workers, both from a physical and psychological point of view;
- To ensure the protection of privacy of the employees and their right to work without suffering undue pressure.

Therefore the persons in charge should:

- adopt criteria based on merit, competence and anyway strictly professional, for decisions concerning employees;
- select, hire, train, pay and manage employees without any discrimination;
- create a work environment where the personal properties of the single worker do not give rise to discrimination.

In compliance with the International Labour Organization Conventions, the Company agrees:

- to respect the basic human rights;
- to prevent child labour;
- not to use forced labour, slavery or bondage.

The Company requires that the internal and external working relations should not result in:

- reducing or keeping a person in a state of psychological subjection using violence, threats, deceit, abuse of power, taking advantage of a situation of physical or psychological inferiority or a situation of need, or by promising or giving money or other benefits to managers;
- Harassment of any kind, including sexual.

9.0 PROHIBITION OF PROMOTING PROCUREMENT, POSSESSION AND TRADE OF DRUGS AND PORNOGRAPHIC MATERIALS

It is strictly forbidden to use the Company facilities, in a broad sense, to encourage, in whatever way, the circulation of drugs and pornographic materials and to keep them in the Company's premises, warehouses, appliances or in any other place belonging to the Company.

Also it is strictly forbidden to promote, in whatever way, organized and transnational crime.

10.0 USE OF COMPUTER SYSTEMS

The computer and data systems and tools provided by the Company to the employees for carrying out their work (such as computers, email, internet, laptops etc.) should be used for work and production, in accordance with the current regulations (including the Legislative Decree no. 196/2003 "Code regarding the protection of personal data") and the Company regulations, excluding use for illegal purposes.

The Company also undertakes to put in place specific training programs concerning the problems that may arise during the use of the computer systems; these are intended for all employees as well as for managers.

The use of the computer systems by the persons in charge should be based on the same principles of diligence and fairness and should be for the sole purpose of checking and ensuring the efficient and perfect operation of the computer systems, in accordance with the Company regulations.

The same principles will have to be respected by any third companies working for the Company.

11.0 SAFETY

11.1 GENERAL PRINCIPLES

The Company undertakes to promote and consolidate a safety culture, developing risk awareness, promoting responsible behaviour of all employees and working to preserve, mainly through preventive actions, the health and safety of workers.

All Company activities shall be conducted in full compliance with the current legislation concerning prevention and protection.

The operational management should be based on advanced criteria for environmental protection and energy efficiency, pursuing the improvement of health and safety conditions at work and taking into account the level of technical evolution.

11.2 SAFETY COMMITMENTS

All persons at different levels, in charge of implementing the standards (internal and external) applied for health and safety in the workplace, should:

- promote and implement all reasonable initiatives which aim at minimizing the risks and removing the causes that may endanger the health and safety of employees, third parties working in the Company and customers;
- provide a constant and timely update of the internal regulations to the legislation concerning health and safety;
- develop and maintain a relationship of constructive cooperation with public institutions responsible for performing inspections concerning health and safety in the workplace;
- develop specific training (and information) programs, which are different according to the single employees, and carry out inspections in order to check the actual use of such programs;
- regularly check if the rules concerning protection of health and safety in the workplace are really applied;
- adopt specific policies for the choice of external companies that may be entrusted with the work/service contracts;
- For the management of activities subcontracted to third parties, promote and ensure cooperation and coordination between the Company's own activity and the one of the contractor company.

12.0 ENVIRONMENT PROTECTION

The Company undertakes to take care of the development and health of the environment where it operates, constantly pursuing the protection of the health of employees, other Company members and groups involved in the activities of the Company.

In full compliance with the current legislation concerning prevention and environmental protection, the operational management of industrial activities should refer to the most appropriate standards of environmental safeguard and protection and to the most appropriate standards of environmental protection and energy efficiency, in order to reduce the impact on the environment.

The Company will contribute to the promotion and development of scientific and technological research in order to design products and work out processes which are more and more compliant with the environment, aimed at protecting the customers' safety and characterized by an increased attention to safety and health of the employees and protection of the environments where it operates.

13.0 COMPETITION

The Company is aware that a competitive market is important, and undertakes to comply with the laws on competition; the Company and its employees and agents do not knowingly violate intellectual property rights of third parties.

Agreements between companies and all situations that may affect competition, especially agreements including exclusivity clauses, restrictions on pricing and on sales territories, are subject to anti-trust legislation.

Inspections of legal experts should be required in advance, for every case of potential conflict with antitrust rules.

14.0 PENALTIES

The rules stated in the Code of Ethics express the behaviour that the recipients are required to observe, in accordance with the current laws and the obligations of the national contract.

Any violations of this Code of Ethics will result in penalties towards employees, officers, managers and auditors of the Company, as well as agents and contract partners.

The disciplinary actions are imposed in accordance with the law and the national labour contract.

Failure to comply with the contents of the Code of Ethics may result in termination of the employment relationship and the contract with third parties.

15.0 INSPECTIONS

15.1 THE INTERNAL CONTROL SYSTEM

The internal control system should aim at using tools and methods intended to avoid potential risks and to protect the company's assets, even using preventive measures, in order to determine a reasonable assurance concerning compliance not only with the law, but also with the internal provisions and regulations.

In this context, the Company has **planned a training** for the whole staff, that shall refer to the contents of the Code of Ethics.

Managing Directors, Managers and Executives should constantly take care of the compliance of behaviours with the Code of Ethics and, if necessary, implement special monitoring programs in accordance with the company hierarchy.

The bodies responsible for checking the effectiveness of the internal control system are: the Board of Directors; the Managing Directors, the Executives and the Managers responsible for important departments of the Company, the Board of Auditors, the external Auditors and the Supervisory Body, pursuant to the Legislative Decree no. 231/2001 and in accordance with their responsibilities.

15.2 NOTIFICATION CONCERNING BREACH OF THE CODE OF ETHICS

The Company expects all employees to strictly comply with the Code of Ethics. Therefore the employees are required to respect all internal regulations introduced by the Company for the purpose of complying with the Code of Ethics, to identify and promptly report all violations, to fully cooperate in any investigations concerning violations of the Code of Ethics, to maintain utmost reticence regarding the presence of such investigations and to participate actively, where required, in audit activities concerning the compliance with the Code of Ethics.

Any reports shall be made to the SB.