



Code of Ethics

GRASSI SPA

Adopted by the Board of Directors on 25th January 2013

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SECTION I - GENERAL PRINCIPLES

1. Introduction

The company Grassi (hereinafter the “Company”) bases its internal and external activity on the respect of the principles contained in this Code of Ethics, which constitutes the set of values and rules of conduct that make up the “identity” of the Company.

2. Addressees and relevant obligations

Employees, directors of the Company and everyone who directly or indirectly , on a fixed or temporary basis, establish, for any reason, relations or collaborations, or operate in the interest of the Company itself (hereinafter “Addressees”), with no exception and within their relevant competences, shall know and comply with this Code.

All activities must be carried out by each Addressee with professional commitment and rigour, providing adequate contributions to the responsibilities entrusted to them.

Each Addressee must also refrain from making decisions or carrying out activities that are in conflict with the interests of the Company or incompatible with the official duties.

Possible situations of conflict of interests, as well as any violation of the rules of this Code of Ethics, must be immediately communicated to the managers or to the Company Management.

3. Ethical principles

The Company:

- undertakes to comply with, and to have the laws and commonly accepted ethical principles of transparency, fairness and loyalty complied with;
- condemns unlawful behaviours or misbehaviours towards communities, public authorities, customers, workers, investors, suppliers and competitors to achieve its business objectives;
- implements organisational tools aimed at preventing the violation of the principles of legality, transparency, fairness and loyalty by its employees and collaborators and supervises on their observance and actual implementation;
- ensures a full transparency on their activity;
- undertakes to promote fair competition;
- pursues excellence and competitiveness by offering to the customers quality services that efficiently meet their needs;
- protects and values its human resources;
- employs resources responsibly aiming at a sustainable development, respecting the environment and the rights of future generations.

4. Contractual Value of the Code

The rules of the Code of Ethics constitute an essential part of the contractual obligations of the personnel pursuant to art. 2104 of the Italian civil code.

The Company assesses from a disciplinary point of view, in accordance with current regulation, behaviours contrary to the principles set out in the Code of Ethics exercising its entrepreneurial power and applying sanctions as the different seriousness of the facts may justify.

5. Obligations of the responsible persons

All company unit/function responsible persons have the obligation to set, with their conduct, an example for their collaborators and at the same time to raise awareness on the importance of respecting the rules of the Code of Ethics at all levels adopting immediate corrective actions, if required by the situation. Senior managers shall not approve or tolerate infractions to the Code of Ethics by their collaborators and should they find out violations to the code they will have to report them immediately to the Company Management.

6. Commitments

The Company commits to adopting suitable procedures, regulations or instructions aimed at ensuring that the values stated herein are complied with in the concrete conduct of each of them and of all their Addressees. If necessary, violations will be sanctioned.

Furthermore, the Company undertakes to carry out suitable checks following any report of violation of the rules of the Code of Ethics, assessing the facts and implementing - in case of confirmed violation - adequate sanctions.

7. Use of company assets

All Addressees must be responsible of company assets, means and instruments made available, as well as of the IT procedures they have access to, using them with diligence and care and complying with their intended purposes.

8. Control and implementation systems

In order to make the correct application of this Code of Ethics easier and to check the compliance of the Addressees' conduct with the rules of the same, a Supervisory Body will be used, as set up in accordance with Italian Legislative Decree 231/2001 (hereinafter "SB").

SB is a body with advisory and guidance duties that relies, in the performance of its activities, on the operational contribution of the corporate functions.

It is a decision-making body competent to implement this Code of Ethics and, in particular, it has the task to:

- promote the revision of the corporate procedures in the light of the Code of Ethics and the constant update of the latter;
- check the implementation of adequate measures to guarantee the understanding of the Code and its application by each Addressee;
- settle any issue concerning the interpretation and the implementation of the Code that cannot be solved in a satisfactory manner by the Company's standard corporate organisation;
- examine the reports received, promoting the checks deemed more appropriate;
- assess any situations in contrast with the Code of Ethics and report to the relevant Company Management members on the necessity of disciplinary measures.

SECTION II – RELATIONS WITH THIRD PARTIES

1. Fairness in business

Addressees who get into business relations with third parties (contracts, procurements, supply of goods and/or provision of services, etc.) shall relate to them in full compliance with the laws and standards, according to the ethical, equity, transparency and fairness principles set out in the Code of Ethics. The Company guarantees a relation of real and fair competition between the suppliers/providers.

In the relations with suppliers/providers, the principles of the Code of Ethics and of the organisational model drafted in accordance with the Italian Legislative Decree 231/2001 must be expressly complied with.

In contracts of works and services the Company shall supervise and check the correct implementation, by the contractor, of the collective labour agreements and of the standards on health and safety at work, as well as the fulfilment of the remuneration and social security obligations.

In relationships and commercial relations with third parties, any illegal and collusive acts and conduct, illicit payments, attempted corruption and favouritism, direct requests or indirect requests through third parties of personal benefits or career advantages, for oneself or for others, contrary to the law, regulations and standards under this Code of Ethics, are prohibited.

It is forbidden to offer or receive gifts or presents of any kind, with the sole exception of particular "institutional" circumstances, in which the gifts, being symbolic, shall always be of modest value and so that they cannot in any way be interpreted by an impartial observer as aimed at securing benefits/advantages. Addressees who receive gifts, presents or treatments of favour not directly attributable to normal courtesy relations must immediately inform their senior managers or the Company Management, in order to receive instructions regarding the return or in any case the destination of the gifts.

The prohibition to offer and receive gifts also extends to family members or stakeholders (intended as persons who have business relations on a contractual or associative basis with the Addressees). Under no circumstances may gifts in the form of money or goods easily convertible into money be offered or accepted.

2. Relations with citizens and customers

Customer relations must be continuously strengthened through the quality, reliability and efficiency of the service provided, as well as through timely, precise, clear, easily accessible and truthful information on the services offered. The Company is committed to knowing and understanding customer needs, also by periodically checking and measuring their level of satisfaction, and to responding to suggestions and complaints from citizens and customers, using appropriate and prompt communication tools.

3. Relations with Institutions and Public Administration

Relations between the Company and Institutions and the Public Administration are reserved exclusively to the responsible functions and persons. Such relations must not be based on promises, donations in cash or concessions of goods in kind to promote the Company's activities or in any case to obtain a more favourable treatment or defend market positions. Interventions in the political sphere or with public authorities to favour third parties' interests in order to receive benefits of various kinds is not permitted.

During a business negotiation, request or business relation with the Public Administration or with private subjects, it is not permitted to examine or propose employment and/or business opportunities that could benefit employees of the Public

Administration or of the private individual in a personal capacity, nor promise or grant payments in money for purposes other than institutional ones, or promise or grant favours in the hiring of personnel, or produce documents and/or false or altered data or omit due information.

4. Relations with Parties, Movements, Political organisations and Trade Unions

The Company does not provide direct or indirect support to events or initiatives that have an exclusively or purely political purpose, in particular it:

refrains from any direct or indirect pressure on political figures;

does not provide contributions, direct or indirect and in any form, to Parties, Movements and Political organisations or Trade unions, their representatives and candidates.

Addressees are not authorised to publicly support political parties on behalf of the Company, nor to participate in electoral campaigns, or take part in religious, ethnic or international conflicts.

Industrial relations are governed by specific protocols and relations with the trade unions – where provided for by the National Bargaining and by the National, Regional or Company Protocols – are based on transparency and good faith.

5. Relations with the media

Grassi SpA acknowledges the fundamental information role played by the media towards the public. It therefore undertakes to cooperate fully with all the media (press, radio, television, etc.) without discrimination, in compliance with the right to information, the reciprocal roles and the requirements of confidentiality in order to respond promptly, comprehensively and transparently to their information needs.

Information to the media must be accurate, coordinated and consistent with the principles contained in the Code of Ethics; it must comply with laws and regulations, rules and practices of professional conduct and must be carried out with clarity and transparency.

All contacts with the media are reserved exclusively, when needed, to persons appointed for this purpose by virtue of specific authorisation from the Administrative Body.

Addressees shall ensure maximum confidentiality with regard to news and information constituting the Company's assets, in particular with regard to price-sensitive information.

Violation of this obligation may constitute a breach of contractual obligations, with all legal consequences, including termination of the contract and/or assignment, and may result in compensation for damages arising from the same.

SECTION III – STAFF

1. Principles

The Company recognises the key role of its human resources, and undertakes to adequately and periodically evaluate and develop the skills and competences of each employee through a recurring training system and offering all workers the same opportunities without any discrimination.

No form of irregular work is tolerated. The Company expects its employees, at all levels, to cooperate in maintaining a climate of mutual respect for the dignity, honour and reputation of each individual.

2. Protection of health and safety at work

The Company reaffirms as primary values the policies for the protection of health and safety at work and undertakes to manage its activities in full compliance with current regulations on prevention and protection, pursuing the objective to continuously improve health and safety conditions at work.

In the field of operational safety, the aim is to reduce the number and consequences of accidents by promoting technological investments and staff training.

Addressees of this Code of Ethics shall participate, as part of their duties, in the process of risk prevention and health and safety protection for themselves, their colleagues and third parties.

3. Protection of the environment

For Grassi SpA the environment is a fundamental value and a primary resource.

The Company therefore undertakes to operate in compliance with current regulations, applying the best available technologies, to promote and plan the development of its activities aimed at preserving the environment for future generations, to turn natural resources to better account and to promote initiatives for a widespread environmental protection.

4. Diversity

The Company undertakes not to engage in any form of direct or indirect discrimination of any kind in employment relationships and to promote positive actions for equal opportunities, enhancing the strength of diversity.

All Addressees, at any level, are required to collaborate in order to maintain a climate of mutual respect in the face of personal differences.

5. Workplace harassment

No harassment shall occur in any way in any employment relationship. The Company is required to prevent and in any case prosecute mobbing and personal harassment of any kind, including sexual harassment. Each Addressee is committed to avoiding the occurrence of such situations, also through the use of language that respects people and the work environment.

6. Alcohol and drug use

It is forbidden for all Addressees to work under the effects of alcohol, drugs or substances with similar effects. It is also forbidden to consume or give drugs to others, in any way, during work.

The Company undertakes to ensure that the ban on smoking in the workplace is complied with, also by means of an appropriate penalty system.

SECTION IV – PROCESSING OF INFORMATION AND CONFIDENTIALITY

1. Principles

Confidentiality is one of the fundamental values to be respected in the actual operations of the Company, as it contributes to the reputation of the Company.

Without prejudice to the regulations on the matter, Addressees must guarantee the confidentiality of the information to which they have had access or which they have processed in the performance of their work activities, even if such information is not specifically classified as confidential.

Addressees are required to comply with these principles even after termination of employment.

The obligation of confidentiality of information is also imposed on persons with whom the Company has contractual or other relations, by means of specific contractual clauses or by requesting the signing of confidentiality agreements.

Similarly, the Company is committed to protecting information relating to its employees and third parties, avoiding any improper use of this information, to protect the privacy of those concerned.

Non-compliance with the obligation of confidentiality constitutes a serious breach if it implies disclosure or if it offers the opportunity for disclosure of confidential information related to the decision-making processes and activities of the Company.

Violation of the provisions of this article may result, in addition to the application of disciplinary sanctions, in further legal actions against the employees involved.

2. Processing of company information

Directors and Statutory Auditors are required to treat as confidential all the documents and information acquired while carrying out their duties.

The external communication of privileged information is carried out, subject to the approval of the Chairman of the Board of Directors, by the appointed functions that follow internal procedures aimed at avoiding selective, incomplete or inadequate communication.

SECTION V – IMPLEMENTATION AND CONTROL

1. Control system

All Addressees of this Code of Ethics must be aware of the existence of controls, aimed exclusively at ensuring compliance with laws and company procedures, protecting the Company's assets, providing accurate and complete accounting and financial data and, ultimately, improving efficiency.

All levels of the organisation are responsible for the implementation of an efficient internal control system and the dissemination of a control-oriented mentality.

All actions, operations and transactions must be correctly recorded and it must be possible, in particular, to verify the decision-making, authorisation and implementation process.

For each operation there must also be adequate documentary support, in order to be able to control at any time the decision-making process that has been followed.

2. Dissemination and training

Grassi SpA is committed to ensuring the dissemination of the Code of Ethics through:

- distribution to all members of the corporate bodies and to all employees and collaborators;
- publication on the Company's website www.grassi.it.

In relations with third parties, statements are also introduced to formalise the commitment to comply with the Code of Ethics and to provide for sanctions in case of violation of this commitment.

3. Supervisory Body

In order to guarantee the application of the Code of Ethics, a Supervisory Body (SB) has been set up.

The function of the Supervisory Body is essential for the actual effectiveness of the Code of Ethics, both in the start-up and operational phases.

The Supervisory Body is a body with autonomous powers of initiative and control, composed of two members:

- Ms Silvia Calvi;
- Mr Giovenale Rossano Palermo.

The members of the Supervisory Body are appointed by resolution of the Board of Directors.

The term of office shall be three years and shall be renewable.

4. Supervisory Body tasks

The Supervisory Body must:

- supervise the correct application of the Code of Ethics;
- promote measures aimed at preventing unlawful acts in the Company's activities;
- settle all conflicts regarding the interpretation and application of the Code of Ethics;
- provide the Board of Directors with the necessary indications to implement the observance of the Code of Ethics in the management system;
- examine reports of possible violations of the Code of Ethics from employees, collaborators or third parties;
- propose updates to the Code of Ethics so that it remains adequate in terms of functionality;
- promote awareness and information activities on the contents of the Code of Ethics.

The Supervisory Body prepares an annual report to be submitted to the Board of Directors on the results of its activities.

5. Reports

In order to guarantee the effective application of the Code of Ethics, Grassi SpA requests anyone becoming aware of any violations to report them to the Supervisory Body.

Reports must be made in writing to one of the following addresses:

- Organismo di Vigilanza, c/o Grassi spa, via Vittorio Veneto, 82 – 21015 Lonate Pozzolo (VA) – Italy
- odv@grassi.it

The Supervisory Body is required to promptly carry out a careful verification of the reports received, undertaking to ensure the confidentiality of the identity of the reporting party, without prejudice to legal obligations, and, having ascertained the validity of the report, it shall report to the Company for appropriate measures to be taken.

The Supervisory Board has the right to speak with the person making the report and with any other parties involved.

Grassi SpA guarantees that no one, in the workplace, may suffer retaliation, unlawful conditioning, hardship and discrimination, for reporting any violations of the Code of Ethics.

To this end, it is clarified that the following also constitutes a violation of the Code of Ethics:

- any form of retaliation against those who, in good faith, have reported possible violations of the Code of Ethics;
- the behaviour of those who accuse other employees and collaborators of violations of the Code of Ethics with the awareness that such violations do not exist.

6. Sanctions

Failure to comply with the Code of Ethics and/or the violation of the indications contained therein will result:

- for the employees of the Company, in the adoption of disciplinary sanctions proportional to the severity or recidivism of the violation or the degree of fault, in compliance with the provisions contained in the applicable employment contracts;
- for managers, in the adoption of any appropriate initiative proportional to the severity or recidivism of the violation or the degree of fault, in compliance with the provisions contained in the applicable employment contracts;
- for directors, in the adoption of measures proportional to the severity or recidivism of the violation or the degree of fault up to the revocation of the mandate for cause;
- for collaborators and other addressees, in the adoption of measures up to the termination of existing contracts in the most serious cases.