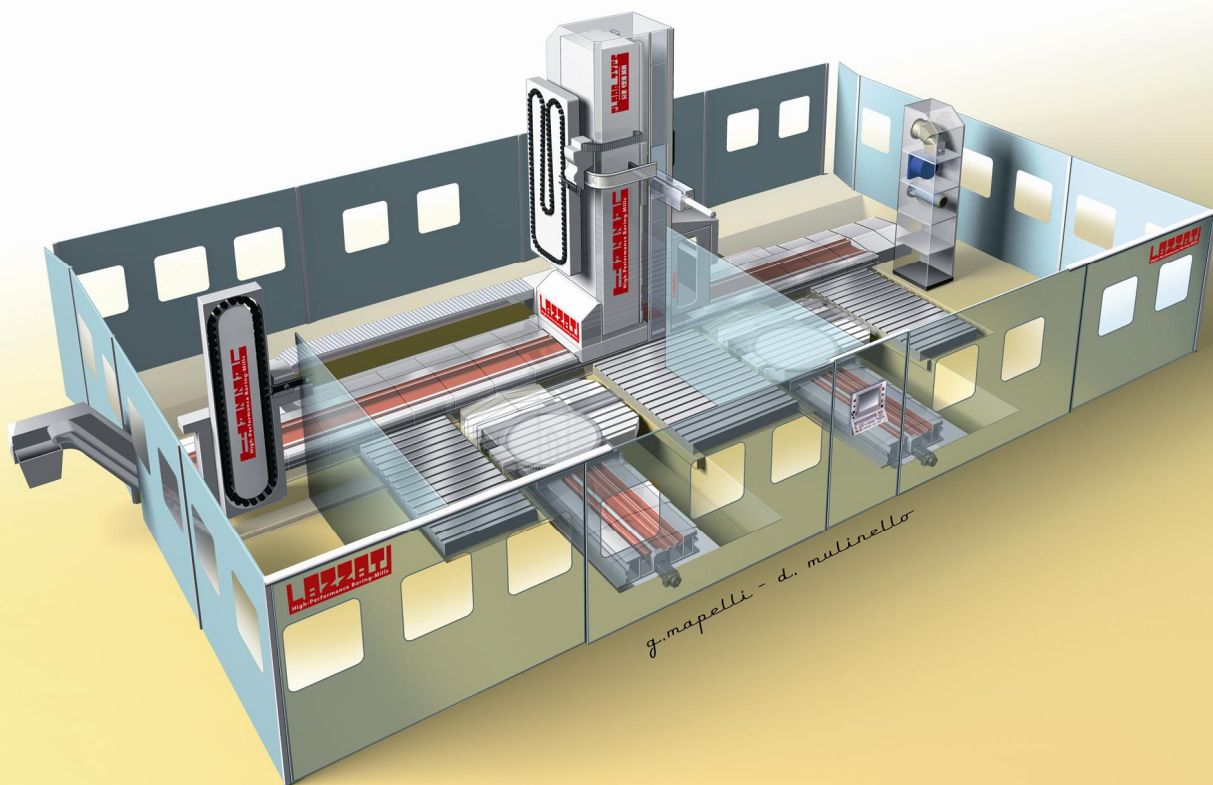


LAZZATI

High-Performance Boring-Mills

Code of Ethics



The actual Code of Ethics (the óCodeô) has been adopted by LAZZATI S.p.A. (the óFirmô or óLAZZATIô) by the formal approval of its Board of Directors.

The Code sets the ethic principles and the values, that must drive all the Firmôs relationships with its stakeholders. Its approval express the willingness of the Firm to make concrete, in its daily business, the ethic principles inspiring the management, in order to reinforce and confirm the image of correctness, prestige and good reputation, which have characterized the Firm since the beginning.

The Code defines and attributes juridical relevance and mandatory effectiveness to principles and values that managers, statutory auditors, partners, agents, employees and third parties (the óRecipientsô), with whom LAZZATI has relationships, have to respect, because those principles are essential parts of the Compliance Model, as prescribed by the Legislative Decree no. 231/2001, as amended.

The Code is officially published on the companyôs websites www.lazzati.net and www.lazzati.eu and also in the Firmôs intranet, since it is an essential element of LAZZATIôs strategy and organization.

THE VALUES

The values that drive the Firm's management and that are the basis of its business culture are:

- **Defence of individuals**

The Firm protects and safeguards dignity, physical, cultural and moral integrity of its employees and it promotes the non-discrimination during the job for sex identity, racial, language, religious reasons, political opinion, union membership or social and personal condition.

In particular, LAZZATI safeguards and respects human rights and the safety at work, by the compliance with all applicable legislations.

- **Fairness, impartiality, loyalty, honesty and transparency**

Fairness, impartiality, loyalty, honesty and transparency are considered fundamental values, that characterize and drive all Firm's business.

LAZZATI conducts its relationships in a correct and clear way.

- **Independence**

Any relationships with political, social, religious organizations or unions are based on absolute independence, equidistance and transparency, without any discrimination or unequal treatments.

- **Customer care**

LAZZATI is committed in the satisfaction of all its customers' needs and requirements, offering services and assistance of high quality and performance.

LAZZATI avoids discriminatory and unequal behaviours.

- **Confidentiality**

Firmös information, disclose inside and outside LAZZATI, are managed in compliance with the principles of the Code. It is forbidden to use, communicate and disclose to third parties, if not authorised, confidential information about LAZZATI, regardless supplied or obtained orally, in writing or by any other means.

It is intended to be óconfidential informationô all information obtained, directly or indirectly, during the job activity, whose disclosure and utilization could be the reason of danger or damage for the Firm and/or source of undue profit for the Recipients.

The obligation of confidentiality shall survive valid after the termination of Recipientsö business relationship with the Firm and it shall remain enforceable, in compliance with the applicable laws.

- **Social responsibility**

LAZZATI shares and applies all social responsibilityös principles in the performance of business activities and corporate operations, as a set of values which put individuals and environment at the centre of the Firmös attention.

- **Safety at work**

LAZZATI in the performance of its business activities guarantees the compliance with the safety and health at work legislations, ensuring, in particular, safe and comfortable workplaces to its employees and partners. LAZZATI is also involved in a permanent and continuous information and training about safety and health at work.

- **Safeguarding of privacy**

The privacy of employees is safeguarded through the utilization of standards that specify the information that LAZZATI requests from them, together with the procedures under which such information is processed and preserved. The above standards also set rules for the control by each employee of the measure protecting privacy, in accordance with the Legislative Decree no. 196/2003, as amended (the "Data Protection Code").

- **Software security**

LAZZATI asks all its employees to use all computer resources in compliance with the internal prescriptions and in accordance with the Data Protection Code.

- **Environmental protection**

The environment is intended to be a primary resource that LAZZATI is committed to defend. To this end, in planning its activities, LAZZATI seeks to strike a balance between economic initiatives and vital environmental concerns.

EXTERNAL RELATIONSHIPS

- **Relations with customers and suppliers**

Correct and transparent relations with customers and suppliers represents a relevant aspect of the Firm's image and reputation.

The suppliers' selection must be based exclusively on internal criteria and, in any case, on objective criteria, such as safety, quality, convenience, price, capability and efficiency.

- **Gifts, benefits and free articles**

With reference to the relation with customers and suppliers, it is forbidden to give or to receive, directly or indirectly, money and expensive gifts, goods, services, benefits, free articles and, in any case, if not previously authorised by the Board of Directors.

- **Relationship with the Public Administration**

Relationships with the Public Administration are characterized by a spirit of cooperation, honesty, correctness and transparency.

As a consequence, LAZZATI is committed to express its own interest related to the Public Administration in a correct and rigorous way.

CONFLICT OF INTEREST

LAZZATI asks its managers, statutory auditors, directors, employees, partners, to avoid any situation and refrain from any activity that, during their job, could oppose a personal interest to the Firm's one, or that could interfere with the capability to assume, in an objective and impartial way, decision in the Firm's interest.

Each situation that could potentially create a conflict of interest or that could be a prejudice to the assumption of the best decisions for the Firm, has to be promptly communicated to the Supervisory Body, which has been appointed to control the implementation of the Code.

MATERIAL RESOURCES

LAZZATI underlines the importance of protecting Firm's assets and any other property from unauthorized or improper uses, which could be cause of damage or losses.

All Recipients have to respect all Firm's properties; their use must be functional and exclusively inherent to Firm's business activities, avoiding any improper or fraudulent use or, in any case, any use which is in contrast with Firm's interest.

INTERNAL CODE'S CONTROL SYSTEM

All Recipients have to respect and to promote the application of the Code and have to spread ethic principles and values.

The Supervisory Body is empowered to receive and analyze reports of violation of the Code or non compliance with it. The Supervisory Body monitors initiatives meant to increase awareness and understanding of the Code, in particular guaranteeing the development of communication and ethical training. The Supervisory Body can propose improvements or amendments to the Code.

The violation of the Code constitutes a breach of contract and /or, if it refers to an employee, a disciplinary offense (in this case, it is applicable the set of sanctions established by the National Labour Collective Contract) and it could be cause of damages compensation eventually caused to LAZZATI, in accordance with the applicable Collective Contracts.

Each questions, complaints or requests shall remain strictly confidential.

LAZZATI, in order to protect its own image and its own assets, shall not have any relations with subjects that violate the Code.