

World fastener solutions.



CODICE ETICO
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AGRATI  **GROUP**
ITALY
FASTENING SYSTEMS

Approved by AGRATI Group S.p.A. Executive Board in July 2008

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This document is directly applicable to all Agrati Group companies. Each Manager has the responsibility to inform, train and supervise the application of this Ethical Code. Each employee receives a copy and signs it.

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1. AGRATI GROUP

Agrati is an International Group specialized in fastening solutions and components mainly for the Automotive market.

Agrati has 12 manufacturing plants, 5 logistics centres, more than 2,500 employees, a production capacity of 160,000 tons per year and a turnover of more than 650 million in Europe, in United States and China.

The various specializations of the units and the different production technologies allow AGRATI customers to have a complete and assorted products range composed by over 5000 standard product codes and 9000 of special ones. The current AGRATI Group productive system enables to produce screws with thread diameters from M2,5 till to M33 and lengths till 300 mm, while as nuts and ring gages concern, diameters can range from M2,5 till to M280.

Agrati is committed to give the customer an efficient and reliable service based on a deepened marketing activity, which catches market needs and in particular customer ones, developing them in collaboration with commercial services, designing dept, production, control system and the distribution and after-sale assistance net. For the company, Quality, "just in time" deliveries and competitive prices are factors in continuous improvement, which require adequate resources and a personnel continuous training.

1.1. Company values

The company *mission* and *vision* are based on shared values which guide **AGRATI Group** activities and they are the basis of our way of being and working. People are the main and constant bench marks of our actions.

AGRATI GROUP VALUES

RESPECT: *of colleagues, customers and suppliers. Respect of the environment, rules and work principles.*

COMMUNICATION: *relationships are the connection between people. The basis of success is to build them in a constructive way between us and our customers. Excellent relationships contribute to create a better working environment.*

INNOVATION: *is everywhere in technology, organizations, out of our company. Being innovative prepares you for the future, we solve problems and give the customer new solutions.*

TEAM WORK: *team working attitude, information sharing and knowledge through the same purposes. We are cooperative, as in football.*

CONTINUOUS LEARNING: *learn, share information and knowledge, give everyone the opportunity to grow. What we learnt in the past will quickly become obsolete. It's fundamental for us to learn the news.*

PROACTIVITY: *it's our ability to anticipate events. We can't wait and solve problems only when they happen. Anticipating them will give us a better future, because we are building it with our hands.*

RESPONSIBILITY: *it means that we are guarantor of what we do. Individually and collectively. We are responsible for time, money, all involved resources and obtained results.*

These are the shared values which characterize **AGRATI Group** into the marketing field, basing on its unique style, and internally, on the big belonging feeling of all its co-operators.

1.2. The company policy

The General Management declares that **AGRATI Group** intends to assure the complete customers satisfaction through the correspondence of products and supplied services, in terms of quality, reliability, punctuality and flexibility. Furthermore, it intends to conciliate the company growth minimizing environmental impacts, as technically and economically possible, which derives from its own activities, and always operating according to high safety criteria for the employees and population health.

The Management is sure that there's the necessity of facing quality and environmental problems globally and dynamically, in order to grant its operative effectiveness, taking into account that the environmental impacts importance can vary in accordance with each single division location.

For this reason it's necessary to extend the concept of quality and environmental impacts management, generated by company process and services, to all areas of each Group dept, involving and sensitising all the personnel, in order to reach an always increasing sense of responsibility towards our own work and environment.

Everyone must work hard in order to reach the continuous and systemic improvement of quality products, services and environmental impacts management, considering the process downstream of the internal customer activity and taking into high consideration the prevention instead of the correction.

Where possible, we have to eliminate important environmental impacts at the beginning, deriving mostly from: atmosphere emissions, external noise, wastewater, energy consumption and refuses production, regulating them through a documented procedures adoption and specific working instructions.

Environmental impacts, generated by new processes, raw materials and products must be previously evaluated in order to minimize them.

For this reason, each company activity must satisfy the following general purposes:

1. Supply always products and services that could entirely satisfy expressed or implicit Customer needs.
2. Try to co-operate in order that the Customer could keep a trust-relationship with **AGRATI Group**.
3. Assure the respect of safety and environmental norms applicable to single productive realities.
4. Pretend the highest quality level in your own work, suggesting improvements and working hard to avoid doing things again, fixing adequate indicators and controlling periodically the purposes reaching.
5. Improve the internal potentiality through an always higher people involvement, in order that each person would recognise its own double role of internal Customer and Supplier.

6. Improve the internal efficiency through the activities systemic standardization, the professional growth, the training, the personal motivation and through the periodical re-examination of the own management system.

The Senior Management is committed to identify tools, modalities and resources which help to reach these goals.

You can find a more detailed explanation of our Ethical Code below (the plan must be prepared for each area as soon as possible).

2. ETHICAL CODE

Competitive situations in which **AGRATI Group** operates, sustainable development challenges and the necessity to keep into consideration all legitimate stakeholders interests towards the company activity reinforce the importance to clearly define values and responsibilities which **AGRATI Group** recognises, accepts, agrees and assumes, contributing to build a better future for everyone.

The Ethical Code represents the Identity Card of an organization; it expresses conduct guide lines which must inspire its members behaviours and it is the main diffusion mean of the ethical culture into the company.

In order to keep being a successful company, it's essential that the organization and each single employee would be considered and perceived economically, socially and ethically responsible into his/her functions implementation.

All Group employees must respect it and everyone must co-operate to pursue the Group scopes about relationships they have with it.

They must also build a reference model for the personnel, through their own behaviour. The Code is known by internal and external stakeholders through appropriate communication activities.

The norms observance contained into this Code must be considered as an essential part of contractual obligations required for **AGRATI Group** employees, in accordance with the article 2104 of the Civil Code, and for its collaborators with reference to the existent contractual relationship. The Society is committed to foresee and distribute with coherence, impartiality and uniformity, proportional penalties to the relative Code violations and conform to the existent dispositions about work relationships management.

2.1. Relationships with Stakeholders: Four key points

- a. Responsibilities towards suppliers
- b. Responsibilities towards customers
- c. Responsibilities towards employees
- d. Responsibilities towards shareholders
- e. Responsibilities towards society

2.1.1. Responsibilities towards suppliers

2.1.1.1. Integrity in the relationship

- The purchasing process must conciliate both the research of the maximum competitive advantage and the connection of the same opportunities to each supplier or potential one.
- About the management of suppliers or potential ones relationships, **AGRATI Group** is committed to respect principles of legality, transparency, correctness and loyalty. The Group doesn't want to earn competitive advantages from suppliers according to irresponsible

behaviours. The Group works hard in order to avoid benefitting from contractual lacks or unexpected events into existent relationships, to re-negotiate the contract with a supplier to the only purpose to take advantage of the dependency or weakness position which the supplier has assumed. For this reason, **AGRATI Group** will prefer a direct relationship with the supplier, not using mediators and mediations, used only in case of supply development technically (general-contractor, authorized sub-tender, etc.).

- This commitment, which involves the relationship with the whole suppliers system, is required to all company functions involved in it in some ways. Each collaborator must understand that his/her conduct will be attributed to **AGRATI Group** and it will influence its internal and external relationship.
- Relationships with suppliers are disciplined only by objective criteria. Collaborator's personal relationships and interests and any kind of organizational unit cannot affect a contract or order adjudication in any circumstances. No collaborators can, directly or indirectly, obtain personal advantages by a supply adjudication. Any kind of act which affects the supplier choice, also indirectly, must be avoided.

2.1.1.2. Confidentiality

- **AGRATI Group** assures its info confidentiality obtained by suppliers and doesn't search confidential data, except in case of expressed and aware authorization and conformity to existent legal norms.
- **AGRATI Group** collaborators shouldn't use confidential info obtained by suppliers for purposes not connected with their activity implementation.
- **AGRATI Group** implements every reasonable and necessary action in order to assure that suppliers confidential info won't be used to earn competitive advantages and it is committed to:
 - o Keep docs and info acquired by actual and/or potential suppliers confidential;
 - o Not use them opportunistically in order to maximize the negotiations result favourably or towards a competitor;
- It is always forbidden to ship info about a bidder identity or his offer content to other bidders.

2.1.1.3. Potential conflicts of interest

- Situations where people involved into transactions are or can also appear in conflict of interest must be avoided.
- Advantages deriving from a companies' group membership are pursued in respect of this Ethical Code. As a consequence, any situation which creates advantages to a company to the detriment of others mustn't be created. So, it is forbidden to generate situations which advantage a company to the detriment of the whole advantage of **AGRATI Group**.
- Each collaborator must keep separate his own interests from the Group ones. Collaborators decisions mustn't be influenced by private interests or personal relationships. Potential conflicts of interest must be communicated immediately.

2.1.2. Responsibilities towards customers

Acquire and keep customers with continuous development and research and be able to supply products, solutions which meet customer expectancies in terms of quality, services, safety and environmental impact.

Business Ethic

AGRATI Group business and company activities management must be performed transparently, with honesty, correctness, trust and in the full respect of rules established to protect the business competition.

AGRATI Group requires honesty and integrity from all corporate bodies involved in its commercial activity and it pretends the same thing from all parts which the Group has a commercial relationship with- customers, suppliers, partners, agents.

AGRATI Group supports the free and equal commerce, respecting laws about concurrence.

AGRATI Group supports also transparency and open-minding, taking into account company's secrets, which, if spread out, could damage its competitiveness and/or relationships with customers and/or partners.

AGRATI Group Ethical Code imposes that:

- Corruption and/or concussion forms are forbidden and, as a consequence, all form of compensation to agents, suppliers and partners are referred only to justified service;
- Gifts and other favours as hospitality elements mustn't overcome local uses and they must be in line with local laws;
- All employees must avoid any kind of conflict of interest between economic issues and Corp. private affairs; each uncertainty case should be brought to the Executive Committee judgment;
- All transactions performed on behalf of **AGRATI Group** must appear clearly into company accounting books, in accordance with Group rules and the existent ones.

2.1.3. Responsibilities towards employees

People are a fundamental element for the company existence. The management and employees dedication and professionalism are important values and conditions to reach **AGRATI Group** goals.

All **AGRATI Group** employees, without distinctions and exceptions, conform their own actions and behaviours to the Code principles and contents referring to their functions and responsibilities, knowing that the Code respect constitutes an essential part of the working and professional performance quality. Relationships between **AGRATI Group** People, at all levels, must be in accordance with criteria and behaviours of honesty, correctness, loyalty and reciprocal respect.

The Group is committed to develop management and employees capabilities and competences, in order that people energy and creativity could find full expression for the personal potential realization referring to the working performance, and in order to protect working conditions both through the worker psycho-physic integrity protection and his/her dignity respect. Illicit influences or undue inconveniences aren't allowed and not discriminating good working conditions are supported as the continuous training dedication in order to develop competences to grant individual satisfaction and career possibilities .

Respecting the legal and contractual norm, **AGRATI Group** is committed to offer to all employees the same working opportunities, in order that everyone could be satisfied about an equal normative and retributive treatment based exclusively on merit and competence criteria, without any kind of discrimination.

Working Ethic

The leadership and the relationship between employees are based on seven fundamental values. These ones require that:

- All employees must be equally treated, with loyalty and respect, without race, sex, age, handicap, social extraction, religion, sexual orientation, labour or political membership discrimination;
- **AGRATI Group** doesn't make use of child labour respecting existent laws into states in which it operates;
- **AGRATI Group** respects the right of everyone to form and join labour unions up to their choice and of collective negotiation. Agrati won't let labour unions' official representatives be subjected to discrimination and it will allow them to have access to their external labour union members and to their work;
- **AGRATI Group** grants that salaries and other connected benefits would be conform to minimums required by existent laws into the land object of the discussion;
- **AGRATI Group** respects existent laws dispositions in terms of working time into each state it operates;
- **AGRATI Group** is committed to offer a healthy and safety working place to all employees; **AGRATI Group** is certified ISO 14001. It is committed to reduce and limit injuries at works;
- **AGRATI Group** works hard to give employees good training opportunities in order to improve their competences;
- **AGRATI Group** will give all employees same opportunities to compete for the various working positions. For this reason, only capabilities and competences will be considered as differentiation factors into the choice of the right person for the working position.

2.1.4. Responsibilities towards shareholders

AGRATI Group is committed to protect shareholders' investments and obtain a sustainable and improvable return.

Financial Ethic

The return from shareholders' investments is always considered important in order to determine strategies and alternative actions.

AGRATI Group believes it is necessary that shareholders would be able to participate in decisions of competence and to make aware choices, so the Group is committed to assure the info maximum transparency and promptness to shareholders on trade, also through the company IT website, about Group activities, results and strategies.

The Company works also hard to keep into appropriate consideration the legitimate indications shown by shareholders into assigned headquarters.

2.1.5. Responsibilities towards society

In order to do business as a responsible society member, **AGRATI Group** operates in accordance with law dispositions required, expressing support in demonstrating respect for the international proclaimed human rights protection, not being accessory of their violations, and keeping always into consideration health, safety and environmental issues in order to contribute to a sustainable development.

Social Ethic

- Communication

AGRATI Group policy is to be open and accessible, supplying coherent information about the Group, products, services and development.

The essential info for involved subjects must be always given as quickly as possible, through ways and times allowed by circumstances.

- Environment, health and safety

AGRATI Group has a firm commitment to contribute to an ecologically sustainable development. As a consequence, **AGRATI Group** is always committed to improve the environment cure and to grant the health and safety of people employed into Group activities. Environmental protection responsibilities are shared into the whole Group-each employees has an important role to play.

- Relationships

AGRATI Group operates in a socially responsible way respecting the existent national norm of all states in which the Group works.

AGRATI Group's best contribute to the economical and social development is to manage the Group with profit in order to create working places and support customers.

- Suppliers

AGRATI Group encourages its suppliers to follow these kind of conduct codes. Suppliers which refuse to do it, could be excluded from **AGRATI Group** suppliers set.

- Political issues

AGRATI Group doesn't interfere into the political life of states in which the Group operates.

As a consequence, for **AGRATI Group** is forbidden to contribute financially to political parties or political people. It is also inadmissible for it to participate to a party policy.

Into relationships with governments and international organizations, **AGRATI Group** has the right and sometimes the duty to let its opinion be heard about issues which involves the company, its employees, customers and shareholders. The Group's President and the CEO- personally or through explicit mandate- are the only people authorized to express political declarations for the company.

2.2. Company security

2.2.1. Health and Safety respect into the working environment

AGRATI Group defines a policy to assure the best health and safety protection possible into the working environment and the prevention of all potential risk forms for a continuous improvement.

This policy is applied indifferently both to Co. employees and external companies ones, in their interventions field among Group's plants.

In order to develop and control the Health and Safety management respect, the Group uses an implemented system, based on the shared and updated Risks Evaluation Document which is periodically verified and certified by independent third parties and which refers to international norms (BS OHSAS 18001), national guide lines (Guide Lines UNI INAIL 2001) and Policy for Quality, Environment and Safety.

All employees, collaborators and third parties must scrupulously respect all measures required by **AGRATI Group** procedures and internal regulations regarding Health and Safety at work, elaborated and updated in accordance with the existent legislation. In particular, it is required to everyone to signal observations related with malfunctions or potential improvements to the direct superior.

2.2.2. Controls

The Ethical Code constitutes one of the fondant elements of the controls system and it is an integrant part of the Organizational Form used by **AGRATI Group** in accordance with D.Lgs 231/2001.

The internal control system must be oriented to the adoption of tools and methodologies whose aim is to contrast potential company risks, in order to determine a reasonable guarantee about the respect not only of laws but also of dispositions and internal procedures.

The Management must control behaviours conformity constantly according to the Code and, if necessary, create specific verification programmes.

2.2.3 Ethical Code observance, violations warnings to Supervisory and Control Body

The Ethical Code norms observance must be considered as an essential part of employees contractual obligations in accordance with the 2104 article of the Civil Code. It must be considered also as an essential part of contractual obligations assumed by non-subordinated collaborators and/or people which have business relationships with **AGRATI Group**.

Managers and people in charge have the responsibility to let Group expectancies towards collaborators be understood and put into practice by them. So, Managers and people in charge, must assure that commitments expressed into the Ethical Code would be carried out.

In order to grant the effective application of the Ethical Code, **AGRATI Group** – respecting privacy and individual rights– creates information canals through which everyone who knows potential Ethical Code inobservance cases into the Group could report freely, directly and in a reserved way to his own direct Person in Charge or in urgency cases, directly to the Supervisory Body. Warnings, anyway, must be carried out in written way and anonymously.

With reference to the news about happened or tried norms violation contained into the Ethical Code, it will be up to the Group to grant that nobody, into the working context, could be subjected to retaliations, illicit conditionings, inconveniences and discriminations of any kind, for having signalled to the Supervisory Body the contents violation of the Ethical Code or of internal procedures. Furthermore, after the warning, the company will promptly follow appropriate verifications and, if needed, adequate penalty measures.

2.2.4 The penalty system

The principles violation into the Ethical Code and into procedures required by internal registers, where found, compromises the trust relationship between the Group and its admins, employees, consultants, collaborators at various title, customers, suppliers, commercial and financial partners.

Violations will be prosecuted strongly, promptly and immediately, through the adoption—towards the violation responsible, where necessary for the company interests protection and in accordance with the existent normative context— of adequate and proportioned disciplinary and/or penalty measures, independently from the penal importance of that behaviours, and from the creation of a penal process in cases of crime.

Proved Ethical Code violations, after having asked the Supervisory and Control Body, will generate specific measures, adopted by the Human Resources Management or competent functions. With coherence and respect towards legal and existent norms, proved violations could also determine the estrangement of people judged responsible from the Group.

Any kind of retaliation towards people who signalled potential violations of the Ethical Code or clarification request of its applicative modalities are considered Ethical Code violations.

Ethical Code and internal controls violations effects must be kept into high consideration by everyone who, at any kind of title, has relationships with the Group. For this reason, it spreads the Ethical Code and registers and/or internal procedures, and informs about required penalties in case of violation and about application modalities and procedures.

The Group, protecting its image and resources, won't have relationships of any kind with subjects who don't want to operate respecting the existent normative, and/or refuse to behave in accordance with values and principles required by the Ethical Code and to respect procedures and regulations required by connected registers.

3. CONFIDENTIALITY

3.1. Company's confidentiality protection

AGRATI Group supports research and innovation activities by management and employees into the assumed functions and responsibilities context. Intellectual Assets generated by that innovative activity constitutes an essential and central patrimony of **AGRATI Group**.

Research and innovation are dedicated particularly to the promotion of products, tools, processes and behaviours always more in line with the technical efficiency, environmental impact reduction, attention for health and safety of employees, customers and local communities in which the Group operates and, in general, for the company activities sustainability. **AGRATI Group** people must contribute actively to the intellectual patrimony management into the assumed functions and responsibilities context, in order to allow its development, protection and valorisation.

Info, knowledge and acquired or elaborated data during work sessions or through personal working roles belong to **AGRATI Group** and can't be used, communicated or spread without specific authorization of the superior in management, respecting specific procedures.

3.2. Privacy safeguard

AGRATI Group is committed to protect info related with its own People and third bodies, generated or acquired internally or into business relationships, and it works hard to avoid every case of improper use of that information.

AGRATI Group assures that the recording, filing and use of personal data are treated with the maximum confidentiality and in conformity with existent laws.