

CODE OF ETHICS

Claber SpA

CONTENTS

1	INTRODUCTION
2	GENERAL PRINCIPLES
3	HUMAN RESOURCES
4	CONFLICT OF INTERESTS
5	OPERATING PROCEDURES AND ACCOUNTING DATA
6	PROTECTING CORPORATE ASSETS
7	RELATIONS WITH SUBSIDIARY COMPANIES
8	SUPERVISORY BOARD
9	RELATIONS WITH OUTSIDE PARTIES
10	RELATIONS WITH THE MASS MEDIA AND INFORMATION MANAGEMENT
11	VIOLATIONS OF THE CODE OF ETHICS AND PENALTIES

1 - INTRODUCTION

The company's mission

The company believes in the value of water, and therefore its goal is aimed at creating irrigation systems that make it possible to use this resource increasingly critical for humanity in an optimum and effective manner so as to protect the environment.

Claber S.p.A.'s mission is to design and make irrigation systems adopting the following principles:

Technological innovation: research into innovative solutions for the optimum management of the water resource, cutting wastage according to strict scientific criteria, generating new knowledge on the subject, and propagating awareness of "smart" irrigation.

Quality: pursuit of the quality value, both that of the company in general and that of the products and services it supplies.

Fair profitability: pursuit of a satisfactory year-end profit.

Continuity: Will to pursue the company's activity over time.

Professional growth and training of the human resources: Will to develop the training and professional satisfaction of the human resources.

Transparency of management: Pursuit of clarity in running the company's activities on all levels.

The code of ethics

Observance of this code involves all Claber S.p.A. employees, whatever their roles or duties may be; managers; directors; and agents, or rather everyone who establishes a relationship with the company either directly or indirectly.

The source of this code are the rules of ethics that have inspired it, the regulatory guidelines established by Italian Law Decree 231/2001 and European Community directives on the subject.

Art. 2104 of the Italian Civil Code requires employees to comply with the rules of the Code of Ethics.

2 - GENERAL PRINCIPLES

Compliance with laws and regulations

Claber S.p.A. intends to carry out its activity, sparing no efforts so that the Italian laws in force, and those of the countries where it operates, are observed.

These principles Claber S.p.A. has adopted shall also be demanded of public, private, Italian and foreign entities with whom the company should work on mutual terms.

The company requires that every company representative, collaborator, consultant, supplier and customer observe the Code of Ethics, and demands a conduct in line with the principles it contains as well as its explicit acceptance.

Behaviour models and rules

The work and production activities of the people who work for Claber S.p.A. must be pursued according to the following principles: fair trading, transparency and completeness of information, confidentiality, observance of the physical and cultural integrity of people, environmental safety and protection, equality and impartiality, protection of the company's resources, social attention to the community in which one works, professional commitment and diligence, fair competition and impartiality, transparency and confidentiality, honesty

and fairness, protection of people and health, preservation of the environment. Said principles must also distinguish the internal and external behaviours and relationships of said entities. To this end the managers of the individual corporate areas shall be careful to abide by said principles, and shall endeavour to spread them amongst the employees while also checking that they are applied.

Propagation and observance of the code of ethics

Claber S.p.A. promotes and favours the propagation and observance of the Code of Ethics by enabling all directors, employees, collaborators, agents, consultants and suppliers to take cognizance of it.

For this purpose said code shall be delivered to all of the entities listed above, and they shall be given information and explanations regarding it.

Observance of the Code of Ethics must concern the entities indicated above within their individual competences and functions.

3 - HUMAN RESOURCES

Decisive factors

Personnel evaluation is based on the correspondence to the company's needs, in observance of the principles of equality and equal opportunity.

The decisive factors to be pursued in selecting personnel are honesty, professional ability, reliability, technical background and experience.

In addition to receiving information with regard to his or her function or job at the time of being hired, the employee must explicitly accept the obligations stemming from the Code of Ethics.

Selection criteria

The company's personnel selection policy is based on the pursuit of the principles set forth in the Code of Ethics, in observance of equal opportunity and without any discrimination whatsoever as far as either the employee's personal life or his or her personal choices and opinions are concerned.

Professional growth

Claber S.p.A. undertakes to supply all tools in order that its employees can not only maintain their skills, but also increase and improve their professional competence through training programmes and refresher courses.

Work environment

Claber S.p.A. undertakes to provide conditions that respect personal dignity and observe industrial safety rules for those entities working with the company for any reason.

To this end, the company undertakes to promote safety awareness by initiating a series of preventive actions necessary for protecting the personnel's health, safety and security.

The company does its best to verify that behaviour detrimental to personal and professional dignity does not materialize, and to avoid conduct and forms of denigration aimed at discrediting the employee's image.

For example, remonstrations with an individual must be made personally with him or her in private.

4 - CONFLICT OF INTERESTS

Company and personal interests

The relationship between Claber S.p.A. and its employees, collaborators, suppliers and customers must be directed towards pursuing the company's interest, according to the principles set forth in the Code of Ethics.

For this purpose all entities who interact with Claber S.p.A. for various reasons must abstain from any activity that may be in conflict with the company's interests, and should a potential conflict of interest arise, the entity shall be careful to communicate said circumstance to the company.

In no case whatsoever may they set a personal interest against that of the company, jeopardizing the company's image and integrity.

In particular, any conflict of interest between personal and family economic activities and the position held at Claber S.p.A. must be avoided.

Conflict of interests includes, but is not limited to, the following:

The employee's evident or hidden interest in activities of suppliers, customers, competitors;

Exploitation of one's functional position in order to create interests conflicting with those of the company;

Utilization of information acquired to one's own advantage or that of third parties, and in any case conflicting with the company's interests, while carrying out work activities;

Carrying out work activities of any kind (work done, intellectual services) on customer, supplier and/or third party premises that conflict with the company's interests.

Preventing conflicts of interest

In order to prevent situations that can cause conflict of interest from arising, Claber S.p.A. asks its directors, employees and collaborators of any sort to take on this obligation at the time of appointment or hiring, possibly even by signing a special declaration aimed at ruling out any conflict of interest between the individual and the company.

5 - OPERATING PROCEDURES AND ACCOUNTING DATA

Organizational procedures

The company is equipped with specific procedures that everyone must observe, namely the directors, employees and those who maintain relations with Claber S.p.A., each within their respective competences and functions. Each operation must be backed by adequate, clear and complete documentation to be filed in order to be able to check the reasons why the choice was made at any time.

The people interested and involved in the procedures must assume responsibility for them and abide by them, and work hard to become acquainted with them and make them known.

These procedures are, in fact, aimed at managing the company effectively and economically.

Accounting transparency and accuracy

Claber S.p.A. intends to adopt clarity of information and transparency in managing its accounting data. Its accounting management must be truthful, accurate and respectful of the accounting principles adopted, in full observance of the relative provisions in force.

In the case of financial asset data based on assessments or estimates, entries must be made in observance of the principles of reasonableness and prudence, clearly illustrating the criteria that have determined their values.

For this reason the functions involved must contribute truthfully to the formulation of these assessments.

No false accounting entry can be put into the company's account books, and no employee may cause such an offence, even if requested to do so by a superior.

All company representatives are responsible for the definition and correct operation of the audit system within the sphere of their activity, and are obliged to communicate any omissions or irregularities they should become aware of to their superiors or to the Supervisory Board.

6 - PROTECTING CORPORATE ASSETS

Safeguarding and managing the assets

In addition to the capital equipment, the information concerning the company's activity, the organization, the human resources and all acquired technical knowledge and patents also make up the corporate assets.

The employees and collaborators undertake to safeguard these assets with due diligence.

Claber S.p.A. is a company with a high content of know-how, and intends to spare no efforts so that utilization of the available resources is directed toward ensuring, increasing and strengthening its corporate assets in defence of the company itself, its shareholders and the market.

7 - RELATIONS WITH SUBSIDIARY COMPANIES

Autonomy and common principles of ethics

Claber S.p.A. demands that its subsidiary companies observe and pursue the principles contained in this Code of Ethics, as well as the provisions of the European Community and the countries where they are located.

The collaboration and circulation of information between Claber S.p.A. and its subsidiary companies must be based on the principles of honesty, transparency and fairness in observance of the autonomy of each company.

8 - SUPERVISORY BOARD

Functions

The task of the supervisory board is to watch over the observance of the organization and management model that Claber S.p.A. has adopted pursuant to Italian Law Decree 231/2001.

This board operates without restrictions of subordination or control and with impartiality, fairness and professional competence.

It is entitled to look over documents and consult data, even concerning the internal procedures, in order to check that the Code of Ethics is observed.

It must therefore monitor that the interested parties apply the Code of Ethics and report any violations by writing up a book of minutes of the meetings it holds.

Reporting to the supervisory board

In order to check that the Organizational Model and the Code of Ethics are complied with, the supervisory board watches over any illicit behaviour initiated within Claber S.p.A., availing itself of channels of information in compliance with the privacy act and personal rights.

The information may be referred to the supervisory board directly or confidentially in order to allow this board to verify the offences initiated.

If a violation of the Code of Ethics is ascertained, the supervisory board reports it to top management and the functions involved, which establish the penalties to be adopted pursuant to the provisions in effect and according to the disciplinary system adopted by Claber S.p.A.

9 - RELATIONS WITH OUTSIDE PARTIES

Relations with public authorities, public and private customers, financiers, suppliers

Relations between Claber S.p.A. and public authorities, domestic and foreign companies, private citizens, financiers, and suppliers must be distinguished by strict observance of the European Community and national rules and regulations in force, as well as of the Code of Ethics.

Claber S.p.A. must be particularly attentive and careful in operations regarding tenders, contracts, public or private loan applications, authorizations, licences and permits in order not to carry out actions that may violate regulatory principles or this Code of Ethics.

For this purpose all corporate functions involved in the operations listed above must observe the organizational procedures and the national, European Community and international regulations in force.

Gifts, conferments and promises of money

Claber S.p.A. forbids its employees or collaborators of any sort to accept or offer money, goods, services or favouritism in connection with relations with public officials, public service representatives, customers or private citizens.

All gifts received, except for those of moderate value or for usage and custom, such as Christmas presents, must be reported to the manager of the sector involved.

Relations with customers and suppliers

Claber S.p.A. must follow the principles of honesty and transparency in its dealings with customers and suppliers. Suppliers are selected and commodities and goods are purchased pursuant to the principles of this Code of Ethics, as well as on the basis of objective parameters such as suitability, price, capacity and efficiency.

The processes for procuring commodities are distinguished by the pursuit of competitive advantage, fairness and impartiality.

Gifts, benefits or conferments that may supplement behaviour aimed at obtaining favours are forbidden in all contractual relations with public and private customers and suppliers.

In all cases free samples and favours of any type must be communicated for approval and submitted to the superior's decision, who shall report it to the competent corporate function.

10 - RELATIONS WITH THE MASS MEDIA AND INFORMATION MANAGEMENT

Relations with the media must be looked after and managed by the parties Claber S.p.A. explicitly appoints. They must verify all requests for information before taking the decision to release any communication.

Parties not appointed by Claber S.p.A. are forbidden to disclose any fact or news to members of the press or media.

All information released to the mass media must be distinguished by the principles of truth, transparency, honesty and circumspection pursuant to the Code of Ethics, in-house procedures and protection of the image of Claber S.p.A.

Obligation to confidentiality

Everyone who works with Claber S.p.A. for any reason or who interacts with it must comply with the obligation to confidentiality regarding the company's know-how, the technologies it has adopted and its acquired knowledge, and all matters concerning the company in general.

In particular, information concerning prices, technologies, inventions and all news relating to the company, including the names and roles of its employees, are highly confidential.

11 - VIOLATIONS OF THE CODE OF ETHICS AND PENALTIES

Reporting violations

Claber S.p.A. employees or collaborators of any sort are obliged to report any violations of the Code of Ethics or of the corporate procedures to the competent superior, who will promptly report them to the Supervisory Board. The company endeavours to ensure that no type of reprisal or discrimination occurs following said reports.

11.2 Penalty system

Claber S.p.A. shall follow up violations of the principles ratified by the Code of Ethics and by in-house and European Community procedures and regulations with disciplinary proceedings and penalties scaled according to the seriousness of the offence, the worker's duties, the predictability of the event and the wilfulness of the behaviour.

The aforesaid disciplinary penalties inflicted on employees are provided for by the National Collective Bargaining Agreement for those working in the rubber and electric cable industry and allied industries and in the plastics industry, which is fully quoted herein.

If the Code of Ethics is violated by the parties indicated above, the Supervisory Board is obliged to inform the Board of Directors and the Board of Statutory Auditors, which shall undertake the appropriate activities provided for by the provisions in force.

As for violation of the principles set forth in this Code of Ethics by customers, collaborators or suppliers, it may entail cancellation of the existing contract, subject to the right to request compensation for damage caused to Claber S.p.A.