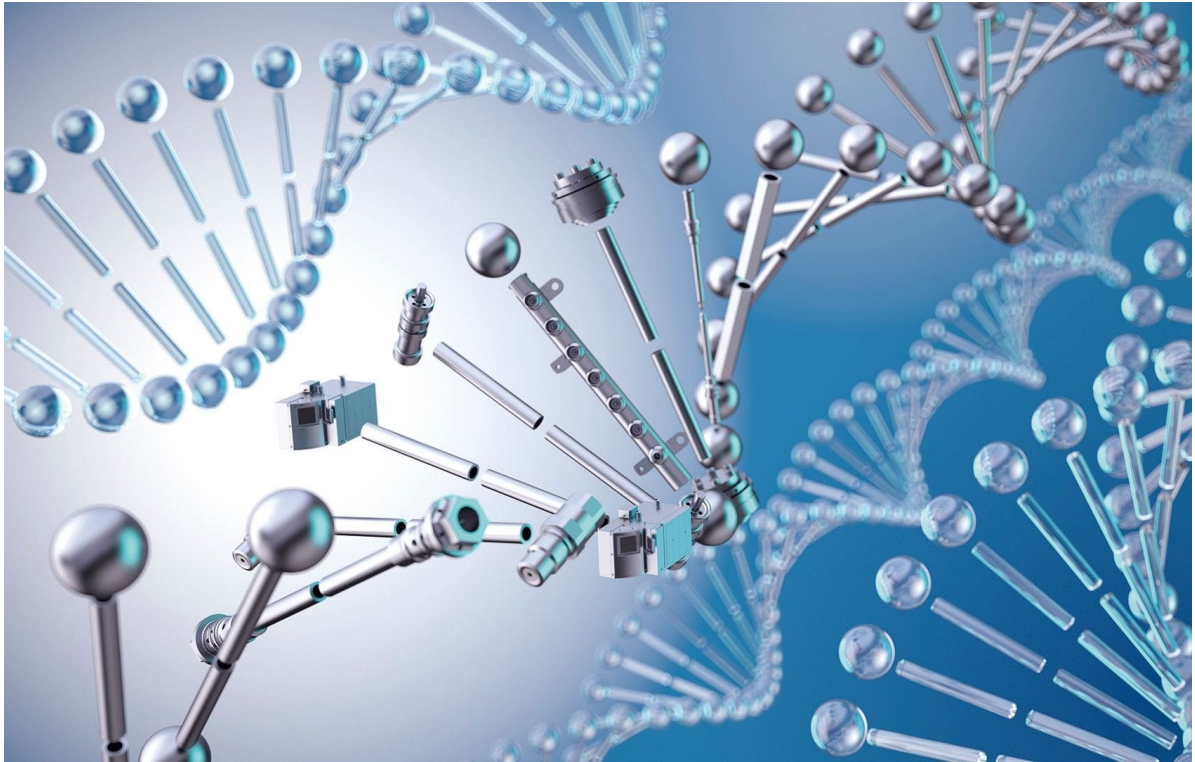


Code of Conduct of Poppe + Potthoff



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1 Introduction

Poppe + Potthoff (here after also called “Company”), incorporated in 1928, has established itself as a reference company on the international level in the sector of metal processing and tube-rolling.

The idea that quality means nothing other than fulfilling the technical needs of a customer precisely and reliably, is therefore inherent in the Poppe + Potthoff genes. Today we implement this principle in a broad range of products, which includes Common Rail components, high-precision turned parts all the way to the original precision steel tube.

The context in which the Company is operating and the future challenges to be faced by the Company have prompted the need for drawing up a Code of Ethics, which defines in a clear and unmistakable way the ethical values and principles that are acknowledged by Poppe + Potthoff as key elements of its own identity and business culture, to be taken as reference points in the execution of its business activities.

Therefore this Code of Ethics (hereinafter also called “Code”), is the official document adopted by the Company to define the set of values and principles the Company will undertake to comply and have complied with, in order to act as the primary business ethics tool aimed at creating the premises for the management of relationships with the market and all of its counterparts.

Additionally, the Code is one of the tools set by the Company to guarantee effective prevention and detection of and contrast to the infringements of the laws and the regulations applicable to its operation. In particular, the Code is an integral part of the Model of Organization, Management and Control adopted by the Company to prevent the execution, on its behalf and/or to its benefit, of the crimes for which administrative liability is provided for according to Legislative Decree 231/01 (hereinafter also called “Decree”).

2 Beneficiaries

The Company’s activity shall comply with the law and the principles contained in this Code, and the Company declares right now it shall be free from the obligation to take or continue any relationships with anybody that proves not to comply with its content, infringing its principles and rules of conduct.

Therefore, the Company’s intention shall be to share its principles with all of its counterparts with which it has a relationship to achieve its objectives.

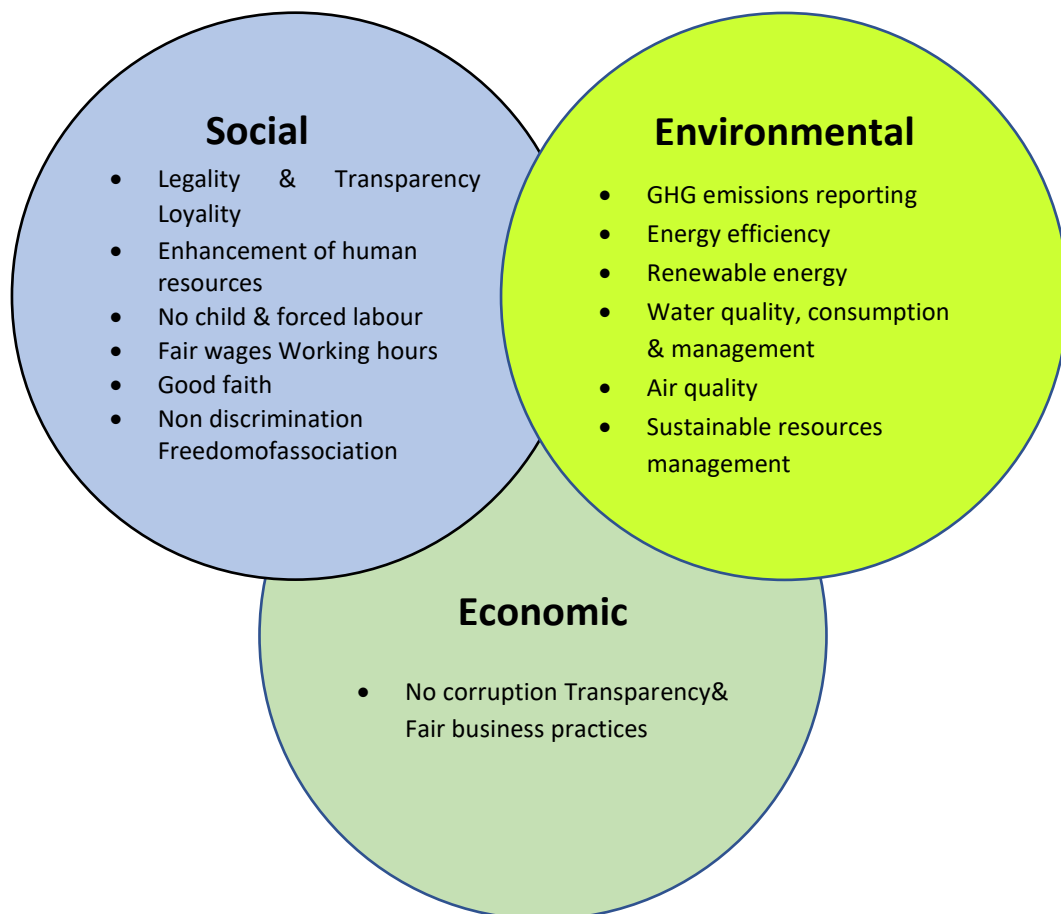
So, this Code shall apply to the Directors, Auditors, all the employees of the Company, external collaborators (like workers under project contracts, temporary workers, advisers, brokers, business partners, agents), suppliers, subcontractors, customers, and all other subjects that, by any way and on any level, come in contact with Poppe + Potthoff or act in its name and on its behalf (hereinafter “Beneficiaries”).

All Beneficiaries shall act to represent at best the Company’s behavior style: therefore, they shall set the example in implementing the contents of the Code and are responsible for acting in order for the ethical-behavioral provisions and business operating procedures to be adopted in connection with such principles. Additionally, the Beneficiaries shall commit themselves to act according to the provisions of the Code of Ethics, to consult the person in charge and/or reference contact in the Company about any doubts or possible constructions of sections of the Code of Ethics, and to report all violations thereof they might

become aware of. This Code shall be applied in Germany and abroad, with any adjustments that might be required or suitable according to the various situations in the countries where Poppe + Potthoff may be operating. Should even one of the provisions of the Code of Ethics might come into conflict with any provisions contained in internal regulations or procedures, the Code of Ethics shall prevail on any such provision.

Poppe + Potthoff is committed to conducting business ethically and with integrity throughout with all programs. It is mandatory for all Suppliers to have an ethic program in place consistent with Poppe + Potthoff Code of Conduct Sourcing & Supply Chain.

For the main intens and activities see the main instructions:



In order to establish and maintain a reliable relationship between the Company and its stakeholders, whether internal and external, ethics shall take great importance as a means and value to guide the behaviors of the Company's bodies, management, employees and external collaborators.

The Company, as an active and responsible element of the community in which it operates, shall recognize and follow the values listed below:

2.1 Legality

The Company shall comply with and enforce, within its organization, the laws in force in the countries where it performs its activity, as well as the ethical principles commonly accepted by the international standards in doing business. In pursuing this objective, all of the Company's employees and collaborators shall be aware of the ethical value of their actions and shall not pursue personal or business benefits to the detriment of the compliance with the laws in force and the principles established in this Code.

2.2 Transparency, Fairness, and Loyalty

The Company shall refuse to perform unlawful, or anyway incorrect, actions to achieve its business objectives, which, on the contrary, shall be pursued only by excellent performance, in terms of quality of offered products and services, based on experience and customer care. Moreover, Poppe + Potthoff shall adopt organization tools suitable to prevent the infringement of the provisions of the law and the principles of transparency, fairness and loyalty by its employees and collaborators, controlling their compliance and tangible implementation.

All employees and collaborators shall also show the image of Poppe + Potthoff clearly and correctly and help it to be properly perceived in external relations.

2.3 Good faith

All of the Company's employees and collaborators shall act based on the good faith principle, that is being sure they are acting properly and substantially complying with the rules and respecting other subjects.

2.4 Impartiality

The Company shall operate avoiding discriminatory and opportunistic behaviors. In pursuing this purpose, it shall not discriminate on the basis of sex, race, language, religion, political opinions, personal and social conditions.

2.5 Enhancement of Human Resources

Enhancement of human resources, respect for their independence in full compliance with the rules in force shall be the principal tenets for all of the Company staff. Managing boards shall undertake to arrange refreshment and training programs suitable to enhance specific professional skills with the purpose of maintaining and expanding acquired competences.

The Company, in order to better protect the workers' rights, shall undertake to fully apply, impartially and consistently, the labor laws and agreements, acting fairly towards its staff, helping their professional growth and protecting the workers' health and safety.

The company prohibits forced labour, child labour and human trafficking and requires its suppliers to do the same. Under no circumstances do we consider modern slavery and human trafficking acceptable. We believe in the rights of minorities and indigenous peoples and their right to equal treatment.

3 Business management

The conduct of Beneficiaries, whether internal or external to the Company, shall be always based on the respect of the values and principles contained in this Code; Beneficiaries shall act to represent at best the Company's style of behavior and the contents of the Code.

3.1 Relations with third parties

It shall be absolutely prohibited to offer any third parties, either directly or indirectly, or to receive, gifts and/or benefits (money, objects, services, favors or any other advantages) that might be constructed by an impartial observer as targeted to achieve a benefit, including an on-economic one, contrary to imperative provisions of the law, regulations and principles of this Code.

Actions of commercial kindness, like gifts or forms of hospitality, shall be allowed, provided they are previously duly authorized by the competent business functions, if and when they have a limited value, and anyway such as not to compromise the integrity or reputation of either party.

3.2 Relationships with customers

The Company's success is mainly based on its skill to meet the needs of its customers, while maintaining high quality levels of performance and reliability. For this purpose, it shall be of key importance for Poppe + Potthoff to accurately identify its customers' needs.

The Company shall provide accurate and exhaustive information on the services offered, so that the customer may take acquainted decisions; maintain strict confidentiality on confidential information concerning its customers, in connection with customer's strategic information and personal details, and use the above- mentioned information for strictly professional reasons, after asking for explicit authorization. Also customers shall be obliged to guarantee confidentiality in connection with information, documents and personal data, about Poppe + Potthoff and its collaborators.

3.3 Relationships with suppliers and subcontractors

Considering the key role for the Company played by suppliers and subcontractors their selection process shall take place according to principles of fairness, profitability, quality and lawfulness, based on objective evaluations aimed at protecting Poppe + Potthoff 's commercial and industrial interests and, anyway, at creating a greater value for the Company. The compliance of such subjects with this Code and the regulations in force shall be the necessary condition for the beginning or continuation of the relationship. The Company shall also follow specific procedures for using objective criteria in assigning orders and managing relationships with suppliers and subcontractors in order to guarantee transparency and correctness in full compliance with explicit commitments subject to exhaustive agreements.

The supplier shall comply with United States and European trade controls and sanctions laws and regulations, as well as the trade controls and sanctions of any other jurisdictions in which the Supplier operates.

We oppose all acts that legalize the nature and source of funds related to terrorism, drug trafficking or

bribery, and stop providing financial support for illegal and criminal acts. We promise to conduct business with reputable suppliers, outsourcers and other partners, take reasonable measures to ensure that the sources of funds for ourselves and our partners are compliant and legal, and have established a complete suspicious behavior reporting procedure.

Poppe + Potthoff shall draw up such agreements in compliance with the current rules and in a correct, exhaustive and transparent way, trying to foresee any circumstances that might significantly affect the current relationship. The agreed consideration shall be proportional to the performance indicated in the agreement, and payments shall not be made to any subjects other than the parties to the agreement, nor to any countries other than those of the parties to the agreement. Poppe + Potthoff shall undertake to maintain full confidentiality on information about its suppliers and subcontractors and to use the above mentioned information for strictly professional reasons only, and in any case after explicit authorization.

3.4 Relationships with commercial partners

Poppe + Potthoff, within the framework of business initiatives that include operations with commercial partners like Joint ventures, Newcos, temporary associations of companies (ATI) and business networks, shall undertake to establish transparent and collaborative relationships. In carrying out such business initiatives, the Company shall commit itself to take all measures and comply with all procedures so that business partners may enjoy the respect for their reputation and only lawful activities that are in line with the values and principles of this Code are carried out, and the best transparency of the agreements entered be guaranteed, in full compliance with current regulations, avoiding to underwrite secret pacts or agreements that are contrary to the law.

3.5 Relationships with public institutions

The Company shall follow and adjust its conduct to the compliance with principles of legality, fairness and transparency, in order not to induce Public Administration to infringe the principles of impartiality and good operation it should stick to. Relationships with Public Administration shall be managed by people who have been assigned specific powers or have been formally empowered by Poppe + Potthoff to manage such relationships. In any business negotiation, request or relationship with German and/or foreign Public Administration, the Company shall never behave, by any reason whatsoever, in such a way as to unlawfully affect decisions in order to get the Company to take an unlawful and undue advantage. Entering or keeping business relations of an economic or financial nature with employees or former employees of German or foreign Public Administration with whom the Company holds or has held relations, or with their family and in laws shall be only allowed if such relations are explicitly submitted to the control of the Supervisory Board and evaluated by the latter in the starting stage and in the definition stage of business relations. It shall be forbidden to destine contributions, aids or funds received from the State or any other public entities or the European communities, including those of little value and/or amount, to other purposes than those for which they may have been granted. Poppe + Potthoff shall condemn any behavior carried out by anybody consisting in promising or offering directly or indirectly gifts or other benefits (money, objects, services, favors or other advantages) to public officers and/or people in charge of a public service, whether German or foreign, or their family, from which the Company can take unlawful or undue interest or benefit. It shall be also forbidden to induce public officers/people in charge of a public service, whether German or foreign, to use their influence on other subjects belonging to German or foreign Public Administration. Finally, within the framework of the relations with Public Administration, Poppe + Potthoff shall be not allowed to be represented by any subjects that may be in any situation of conflict of interest.

3.6 Relationships with the Judicial Authority

Poppe + Potthoff shall undertake to actively collaborate at supporting any requirements of the Judicial Authority and refrain from carrying out, in connection with the involved subjects, any actions that are suitable to affect, in any way, their way of operating and acting in connection with the Judicial Authority.

3.7 Relationships with trade unions and political parties

Relationships with political organizations and trade unions shall be normally reserved to the authorized functions of the Company and based on the provisions of the temporary procedures in force. Any relationships with such subjects shall also follow high criteria of transparency and fairness. The Company shall not be allowed to issue any contributions to trade unions, political parties and their representatives unless they are explicitly allowed and provided for by the law and, in the last case, authorized by the Company's competent boards.

3.8 Relationships with auditors

Poppe + Potthoff shall guarantee that all relationships with auditors are characterized by the maximum professionalism, diligence, transparency, collaboration and helpfulness. The Company shall also act in compliance with the institutional role played by such subjects, guarantee full and punctual execution of required prescriptions and obligations, disclosing necessary information in a clear, factual and exhaustive fashion. In the relationships with internal and external Auditors, Poppe + Potthoff shall guarantee it will avoid any situation of conflict of interest and shall undertake to evaluate in advance the assignment of any tasks different from their institutional functions that might jeopardize their independence and objectiveness.

3.9 Relationships with competitors

Poppe + Potthoff intends to stand on the market characterizing its presence with the full respect of competition and the laws protecting it. Therefore, the Company shall undertake to comply with the national and supranational rules in force in the several areas where it carries out its activity. No employees or collaborators can take any initiatives aimed at unlawfully affecting the market.

3.10 Intellectual property and obligation of confidentiality

Poppe + Potthoff shall acknowledge the key importance of intellectual property as one of the Company's key resources and take all actions suitable to protect it. All of the Company's employees and collaborators, also after the termination of their employment, and in general all the Beneficiaries, shall be obliged not to disclose any information on the Company's technical, technological and commercial know-how, as well as any other data and/or news about the Company that are not in the public domain, except for those cases where such disclosure is required by the law or is explicitly provided for by specific contractual agreements entered by the parties, which have committed to use them for specifically agreed purposes. In particular, it shall be necessary to deal with due confidentiality and to protect ideas, models and other types of intellectual property developed in the framework of the business activity. Poppe + Potthoff shall also undertake not to carry out any projects and/or products that might infringe any third parties' intellectual property rights.

3.11 Conflict of interest

Poppe + Potthoff shall respect the private sphere of the Beneficiaries of this Code, also in connection with their personal activity in the business and commercial world, provided that such activities are not in conflict

with the Company's interest and with the obligations undertaken and arising from the existing collaboration. In this connection, all Beneficiaries must avoid any situations where conflict of interest may arise, and they shall refrain from the possibility of taking personal benefit from any business opportunities connected with the execution of their functions. Moreover, this Code forbids the Beneficiaries' behaviors aimed at using their position in Poppe + Potthoff, or any information acquired through their job, to create a conflict between their own interest and the Company's interest. It shall be also forbidden to accept and offer money, gifts or favors of all kinds from persons, companies or entities that are in, or intend to enter, business relationships with Poppe + Potthoff. Everybody who is acting under a conflict of interest shall be obliged to notify the Chairman or the Vice-Chairman, refraining from carrying out the conflicting activity. The latter ones shall jointly notify the Supervisory Board of the actions carried out with the purpose of guaranteeing the execution of the operations under standard conditions.

3.12 Use of private or public security forces

In particular, the supplier shall comply with the ban on hiring or using private or public security forces to protect a business project if, due to a lack of instruction or control on the part of the company, the prohibition of torture and cruel, inhuman, or degrading treatment is disregarded during the deployment of security forces, or if life and limb are injured in any other way.

4 Management of employees

The Company shall help the professional training and growth of its employees and collaborators by offering them, from time to time, opportunities for mutual acknowledgment and information on their respective job experience, and other training opportunities, all of which for the purpose of promoting their growth and letting them develop their professional skills. Every employee and/or collaborator shall aim at creating a work environment that is always stimulating and rewarding, which then favors the application of the principles contained in this Code.

4.1 Selection of employees, professional development, training and pay system

Selection, hiring, organization, training, pay and professional growth activities shall only meet objective considerations focused on the professional and personal characteristics necessary for the

execution of the work to be carried out and the skills shown in the fulfillment of this work, in order to exclude any form of discrimination based on race, religion, origin, health conditions, age and sex.

Any information required in the selection stage shall be strictly linked to the control of the aspects provided for by the professional and psychological and vocational profile, in compliance with the candidate's private sphere and opinions.

The Company shall undertake to get, in its business organization, employees and collaborators' objectives to be focused on results that are possible, specific, tangible, measurable and proportional to the time expected for their achievement. The Company shall condemn any discriminatory behavior implemented by its employees and collaborators.

4.2 Company's assets

Poppe + Potthoff 's employees and collaborators shall be obliged to use the Company's assets and resources they have access to or the availability of efficiently and in such a way as to protect their value: for

this purpose, they must act diligently through responsible behaviors that are in line with the operating procedures intended to regulate their use.

Any use of such assets and resources that is in conflict with Poppe + Potthoff 's interest shall be prohibited, or, in any case, any use foreign to the employment that might bring changes to or damage the above-mentioned assets shall be prohibited. By way of a non-limiting example, in no case the use of the Company's assets, particularly IT equipment, shall be allowed to commit or induce to commit crimes or to pursue any purposes contrary to rules of law in force or that may be a threat for the public order, the protection of human rights or morality. The Company's collaborators shall be responsible for the protection of the resources entrusted with them and obliged to promptly notify the responsible functions of any threats or prejudicial events.

5 Protection of the workers' health and safety

The Company, in order to properly manage the workers' health and safety according the best practices in the risk prevention and protection for the workers' health and safety, shall acknowledge and promote the following key principles and criteria:

1. avoiding all forms of risk;
2. assessing risks that cannot be avoided;
3. fighting and preventing risks at source;
4. replacing what is dangerous by what is not dangerous or less dangerous;
5. planning prevention actions, aiming at a consistent set of activities that combines in the same the technique, labor organization, working conditions, relations among the people, and influence of the factors of the work environment;
6. giving priority to collective protection measures compared with individual protection measures;
7. giving suitable instructions to workers.

The above-mentioned principles shall always direct the Company to take the necessary measures for the protection of the workers' health and safety, including activities of prevention against professional risks, information and training activities, as well as preparation of the organization and theme a necessary for such purposes.

Finally, all Beneficiaries of this Code shall comply with the rules set forth here below, also in compliance with the rules currently in force:

- taking care of their health and safety and that of the other people present in the workplace, who may be affected by their actions or omissions, according to their training, instructions and means provided;
- helping the fulfillment of the obligations for the protection of workers' health and safety;

- complying with the provisions and instructions given, for the purpose of collective and individual protection;
- properly using work equipment, hazardous substances and preparations, means of transportation, as well as safety equipment;
- properly using any protection devices that are put at their disposal;
- promptly notifying any faults in the above-mentioned means and devices, as well as any hazard conditions they might become aware of, taking direct action in case of urgency, within the framework of their skills and possibilities, to eliminate or reduce any situations of serious and imminent danger;
- neither removing nor changing safety or signaling or control devices without authorization;
- not carrying out on their own initiative any actions or maneuvers which are not under their competence, or that might jeopardize their own or other workers' safety;
- taking part in the education and training programs arranged by the employer.

6 Environmental protection

The Company is aware that, in carrying out its activity, the rational adoption of measures for the management of natural resources and the introduction in its production system of technologies with a lower impact on the environment and the citizens' health shall favor a suitable respect for the environment.

In particular, Poppe + Potthoff shall take all suitable measures to limit the environmental effects of its activities, in line with the applicable regulations and the common best business practices. It shall also undertake to take measures aimed at making all Beneficiaries aware and respectful of the environment.

For this reason our factory required from their suppliers that seeks to minimize their Eco footprint, and use reusable and/or recycled packaging and materials by their production. The Supplier have to know their country's land, forest and water rights and forced eviction this is mandatory by our Suppliers' sustainability.

As part of our responsible approach to the use of hazardous substances, we expect our suppliers to take responsibility for responsible chemicals management, including the selection, evaluation, procurement, storage, transportation, use and disposal of chemicals used in their production and operations.